

12 April 1983

MEMORANDUM FOR: Director of Central Intelligence

FROM : Herbert E. Meyer  
Vice Chairman, National Intelligence Council

SUBJECT : The US and the World

1. We are no longer in imminent danger of losing the Cold War. We may even be starting to win it. Thus the course of history is beginning to move in a direction favorable to the United States -- a change that has come so swiftly it has not yet been realized by the public nor even by some government officials.

2. To fully grasp the speed and significance of this change, one needs to look beyond the daily battles, which inevitably are so frustrating and discouraging, and instead to recall how badly the Cold War was going for us just two years ago:

3. As the 1980s opened, a powerful argument could be made -- indeed, was being made with growing frequency around the world -- that the US had begun its descent into history. Our economy was faltering, our military strength was slipping, traditional American values were eroding, and the Western alliance was fraying. Time after time the US seemed unwilling, or unable, to defend its interests or even its citizens. The Soviet Union's power, meanwhile, was expanding rapidly. Its military arsenals were bursting with new conventional and strategic weapons. Afghanistan was invaded, Poland was subdued, and Soviet-bloc support for insurgencies in Third World countries was raising the level of destabilization, of violence, of human misery.

4. With appalling speed -- and with more than a little help from our adversaries -- the perception spread that history after all was on the side of the Soviets. The effect of this perception on quite a few governments was to force a jumping of sides, or at least a hedging of bets. After all it is a fact -- rather an ugly one, to be sure, but nonetheless a fact -- that in far too many countries the primary national-security objective is merely to be on the winning side. Thus, as the perception spread that history would favor the Soviets, policies were set and decisions made to accommodate what now seemed likely to become the next global leader. Governments abandoned their anti-Soviet rhetoric, toned down their pro-US rhetoric, withdrew support for US initiatives and began to see merit in Soviet diplomatic and commercial proposals that previously would have been dismissed outright. As growing fear of Moscow combined with growing contempt for Washington, US negotiators on

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issues ranging from airline landing rights to arms control found their adversaries to be more bold, less flexible, sometimes even a bit cocky. It became safe to burn our embassies and to hold our diplomats hostage.

5. In short, as the 1980s opened, our country had begun to take on the trappings of a lame duck. History leaves no doubt what future lay in store. Had this trend continued, within just a few years the US would have ceased to be a superpower and become, instead, merely a large country. We -- and all our allies -- would soon have been at Moscow's mercy.

6. That trend has fundamentally reversed direction:

-- Fear that our economy would falter has given way to mounting excitement over the budding recovery. Inflation has dropped from double-digit levels to an annual rate of less than 4 percent, interest rates are easing, and the stock market is at a record level and rising. Today the debate among economists and business executives swirls around the question of whether the coming boom will be the most powerful in recent history or merely one of the most powerful. In time our recovery -- in addition to lowering the US unemployment rate -- will lift up our allies, and together we will create more wealth in Third World countries that have had the good sense to establish free-enterprise societies. The economic gap between the Free World and the Soviet bloc will widen.

-- Our defense build-up has directly reduced the threat of all-out Soviet attack. Their military advantage is beginning to diminish -- and they know it. Moreover, by signaling free people throughout the world of our willingness to defend ourselves and our national interests, the US build-up has indirectly enhanced our national security by strengthening our allies' resolve. As President Eisenhower wrote to General Lucious Clay in 1952: "One of the great and immediate uses of the military forces we are developing is to convey a feeling of confidence to exposed populations, a confidence which will make them sturdier, politically, in their opposition to Communist inroads."

-- Our efforts to establish a prudent, balanced East-West trade policy are starting to succeed. Evidence is accumulating daily now that after initial reluctance, our allies are prepared to work together with the US in what they have come to realize is our mutual interest -- namely, slowing from a torrent to a trickle the transfer

of Free World wealth and technology to the Soviet bloc. In time, our co-ordinated policies will make it more difficult for the Soviets to sustain their military expansion programs, and thus the Free World's security will be enhanced at minimal economic cost.

-- Our support for people whose countries are the victims of Soviet-bloc aggression has begun to blunt the Soviet drive for power in the Third World. In El Salvador, in Nicaragua, in Afghanistan opposition to Soviet-backed forces is rising. Moreover, the Soviets must now assume that US support will be available elsewhere, when requested in the name of freedom. In short, the era of easy Communist victories has been ended.

-- Our willingness to speak out forthrightly about the truly evil nature of communism -- as the President did so eloquently in his now-famous Orlando speech -- is probably the most effective deterrent of all to future Soviet aggression. For we are making clear to an entire generation that the Cold War is nothing less than a struggle for the survival of freedom. We are the world's leading power, the Soviets for decades have been working to displace us -- and our two civilizations are so utterly different that barring a fundamental change by them it won't be possible to reach an amicable accord or to form a lasting partnership of any sort. Either the US will continue as the world's leading power -- and freedom will survive -- or the Soviet Union will achieve its ambition to impose its will and its system throughout the world. By speaking out forthrightly now, we are enabling people to recognize and face this central, fundamental choice of our age. Moreover, by drawing attention to the fact that in all the world there is not a single communist success story -- not one communist country whose people do not yearn to escape; not one communist country whose economy is not bankrupt -- we have at long last launched an offensive for which the Soviets have no defense at all.

7. The impact of all these policies and programs -- on our allies, on our adversaries, on everyone in between -- has been electrifying. The perception that our country's day is done, and that history after all is on the side of the Soviets, has simply evaporated. Some governments that had jumped sides have begun sending signals that they would like to jump back. Some governments that had begun to hedge their bets are now scrambling to hedge their hedges. The recent election in West Germany is but the most

visible indicator that our Western European friends continue to support the alliance, and in the end reject utterly any notion of separating themselves from us. Moreover, today in capitals throughout the world policymakers once again are taking Washington's views into account before reaching decisions that could affect US vital interests.

8. History teaches that the most dangerous periods come when conditions begin to improve. Thus we must brace ourselves for an especially nasty patch of US-Soviet relations. The Soviets will not suffer their reversal lightly. Moreover, we have pushed them onto the defensive at a time when their own economy has begun to stagnate and when living standards have begun to drop. (Today the Soviet economy's only genuine success is the military sector. It's worth noting that the chief surplus of communism is arms; the chief surplus of capitalism is food.) The Kremlin's new effort to revive the Soviet economy by cracking down on the workers cannot possibly succeed; the solution lies not in more threats but in more incentives, and Moscow has none to offer. The current drive to boost productivity by rooting out corruption will also fail, simply because widespread corruption has become vital to the conduct of daily business in all sectors, from agriculture to missile production. Indeed, should the Kremlin's leaders somehow succeed in eliminating corruption, the economy would collapse around their ears.

9. Beyond their borders, the Soviets are hated by the Eastern Europeans and reviled by the Chinese. The Western Europeans have firmly rejected the Soviets' crude diplomatic campaign to drive a wedge into the NATO alliance. Indeed, during the last few months the Europeans have expelled more Soviet diplomats for improper behavior than during any comparable period in recent history. The Japanese have turned aside recent Soviet overtures, have responded firmly to recent Soviet diplomatic threats, and are beginning to spend more money on defense. Throughout the Third World, Moscow's ability to buy influence through economic aid is eroding. Soviet ideology is dead.

10. In sum, we are entering an era in which the only remaining instrument of Soviet leverage will be brute military force, applied directly or through surrogates such as the Cubans and Vietnamese. In coming years the Soviets will use this instrument frequently and forcefully. They have no choice but to do so, for they recognize that the alternative to a steady expansion of Soviet power is a steady decline of Soviet power to the extent that communist control of the Soviet empire itself would not survive. More precisely, we should expect a staggering increase in the number of new strategic and conventional weapons systems, a more crude approach to using these weapons systems as means of international intimidation, and a growing number of Third World de-stabilization efforts.

11. We should be neither surprised nor shaken by the current outburst of Reagan-is-a-warmonger rhetoric from Moscow. This outburst is merely a reflection of how worried the Soviets are now that the US will manage to continue the current trend. They should be worried, for if the present trend

continues, Soviet opportunities for gains at the expense of our national safety will diminish steadily.

12. To be sure, the cost of continuing the present trend will be horrendous, in terms of our money and our national energy. Nasty bumps along the way are inevitable; each one will be seized upon as evidence that the effort itself is misguided or even senseless. Moreover, as the level of diplomatic and physical violence rises, so too will rise the demands from within our own society to avoid this violence by diminishing our own strength. This we must resist at all costs. As President Truman's Secretaries of State and Defense observed in their brilliant 1950 report, later issued as NSC-68: "No people in history have preserved their freedom who thought that by not being strong enough to protect themselves they might prove inoffensive to their enemies." In short, what we must not do is ever again allow the Soviets to come so close to victory. A world dominated by the Soviet Union would be intolerable.

13. It is too soon to say whether in the long run we will succeed. What is possible to say now -- indeed, what needs to be said -- is that by stopping our country's slide and changing the world's perception of the US-Soviet rivalry, we now have an environment in which success, and therefore peace with freedom, is possible. We have shown that history is not on their side, but on ours. It would be a mistake to exaggerate this achievement. It would be a bigger mistake to overlook it.

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