

20 July 1988

MEMORANDUM FOR: Chairman, National Intelligence Council

FROM: Charles E. Allen
National Intelligence Officer for Warning

SUBJECT: Problem-Oriented Planning

REFERENCE: Your memo dated 29 June 1988, same subject

1. Projected international situations which likely will have security policy implications for the US fall principally into two categories:

- a. Those situations which have a direct bearing on US interests.
- b. Situations which are primarily internal to a nation or region, but which have potential to significantly affect US interests.

2. Issues likely to have a direct bearing on US interests, by region, are as follows:

a. Latin America. In Panama, anti-Americanism could continue to grow over the next few months as Noriega consolidates his hold on Panama and blames the US for his nation's continuing economic difficulties. Over the longer term, our concerns include establishment of a revolutionary infrastructure (wittingly) by the Cubans and (unwittingly) by Noriega; this involves the organizing and arming of civilian groups to ostensibly support the regime. US policy concerns include continued control of the Panama Canal and access to strategic locations for US forces in the country.

b. Europe. Tensions over US bases probably will increase over the short term only marginally, except in Greece. The Greek Government's attempt to influence the negotiation process through manipulation of the media seems to have gotten out of hand and threatens to carry the government along in a tide of anti-base sentiment. Over the long term, increasing nationalism, Soviet force reduction initiatives, trade friction, and continued US budgetary constraints will increase pressure both here and on the continent for a reduced US military presence. Policy implications will center over our ability to counter trade and nationalism pressures, our capability to seize and direct arms control initiatives, and our willingness (or need) to find alternate methods to support either continued US military presence or a rapid insertion capability.

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SUBJECT: Problem-Oriented Planning

c. Middle East. Over the long term, a conclusion of the Iran-Iraq war on terms favorable to Iraq will significantly increase the threat to Israel. A Threat to US interests is implicit in our support to Israel and the US could become embroiled in a future Middle-East war. In addition, world oil markets are likely to be at least temporarily disrupted by an end to the war as traders sort out conflicting trends of increased production versus possibly greater OPEC discipline.

d. USSR. Warsaw Pact arms control initiatives could place the US in an untenable strategic position. The disproportionate effects of proposed symmetrical force reductions--or cheating--will test NATO political will and bargaining skills. The Soviets will continue to seek to increase West European public pressure for US and NATO arms reductions.

e. Asia. The primary threat to stability and US interests in Asia, in the near term, is the volatile situation on the Korean peninsula. The period following the Olympic games to the time shortly after the P'yongyang Youth Festival (fall 1988 to fall 1989) will be critical as the following activities occur: South Korea likely will announce the stepped withdrawal of US forces; democratization in the South will have progressed or digressed; succession issues in the North will be clarified; the economic situation in the North probably will begin to stabilize; South Korea's armed forces will be close to achieving parity with the North. The challenge for US policy-makers will be to stage periodic demonstrations of resolve to preclude North Korean adventurism.

3. Numerous other issues/situations have the potential to threaten US security and interests, world-wide. The most significant of these include:

a. CBW/Ballistic Missile/Nuclear Proliferation. Proliferation of long-range weapons and weapons of mass destruction--particularly chemical and nuclear munitions--will pose a significant and growing threat to US forces and US allies for the foreseeable future, especially in the Middle East and South Asia. The possession of such weapons in the hands of terrorists could directly threaten US territory. Barring containment of the threat, which seems highly unlikely, accurate threat assessment and development of effective countermeasures must be a number one national priority.

b. Latin America. Over the next few years, some Latin American democracies probably will either fall or undergo such profound change as to resemble democracy in name only. Increasing nationalism and growing resentment over a perception of US interference in internal affairs will foster anti-Americanism throughout the region. In Honduras, the continued presence of an organized, armed groups of Nicaraguan insurgent refugees (Contras) will threaten internal stability, especially if they are

SECRET

SUBJECT: Problem-Oriented Planning

effectively locked out of Nicaragua. In El Salvador, the terminal illness of President Duarte and the continual slide of his ruling Democratic Socialist Party will pave the way for a political turn to the right; this will result in a stronger leftist insurgency. Guatemala may undergo a military coup as the senior officers' disaffection with the civilian government grows. Mexico probably will lean further to the left as the power of the ruling PRI wanes. The recent presidential election may well have marked the beginning of a new era of Mexican political history--with major accompanying implications for the US.

c. Europe. Growing mutual interests will forge closer economic and political cooperation within the European Community, to the exclusion of some US interests. Growing trade and energy links with the USSR--and strengthening popular perceptions of a benign Soviet leadership--are likely to influence European policy to the detriment of US and NATO interests.

d. USSR. Continued and heightened ethnic tensions and dissent will cause increased difficulty for Gorbachev, especially within a framework of glasnost and perestroika. A continuing inability to resolve nationality and economic problems could presage his downfall and a return to a more conservative leadership. Gorbachev's difficulties should be examined in a context of possible US opportunities.

e. Middle East. US restrictions on arms sales and the end of the Iran-Iraq war will cause a steep decline in US influence in the area, opening the way for a corresponding rise in the influence of West European nations and the USSR. Traditional US Arab allies [redacted] who have long resented favoritism of Israel, are turning increasingly to arms suppliers who are more cooperative and who are not perceived as meddling in Arab internal affairs.

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f. Southwest Asia. In Afghanistan, key questions include the ultimate extent and timing of the Soviet withdrawal and what kind of association will the two nations establish. The effect of an independent Afghanistan on the regional balance is a big unknown. Such an Afghanistan under the mujahedin probably will have close ties to Pakistan and Iran, possibly to the detriment of India. Over the long term, India will increase its control over the Indian Ocean, through political maneuvering and military muscle.

g. Southeast Asia. China will increase its influence in such nations as Thailand, Malaysia, and possibly the Philippines, as it presents an ever more benign face to the region's inhabitants. Vietnam will moderate its position in the region and seek closer ties to the West.

S E C R E T

SUBJECT: Problem-Oriented Planning

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5. Forward thinking assessments of the sort you have asked for are very much in the strategic warning arena, while most of the Intelligence Community remains in blinders, focused on I&W and tactical warning. Continued and expanded assessments in this genre will be increasingly useful to the policy-maker, but will require a re-orientation and re-education of the Intelligence Community. I would be pleased to present my views and recommendations in this matter.


Charles E. Allen

S E C R E T

25X1

SUBJECT: Problem-Oriented Planning

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