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WARNING

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CONTENTS

WORLD TRENDS AND CONTINGENCIES AFFECTING US INTERESTS

NOTE

This estimate has been prepared in response to a specific request in connection with a study of US requirements for overseas bases. The purpose of the estimate is to project, to the degree possible over the next decade, those trends and developments which might affect US security and the commitment of US resources. It does not examine the requirements for or the prospects of retaining particular bases; more detailed studies than are possible here would be appropriate to such questions. Rather, the emphasis is on the political, economic, social, and military environment in which US policy will be operating.

SUMMARY

The pace of change in the world is accelerating, and there has been a marked increase in the interaction of political events in different parts of the world. Conflicts or rebellions in one area encourage dissidents in others, and major changes in a nation's political life can occur quite suddenly. Important departures from present world trends are almost certain over the next ten years.

Some of the principal trends will nonetheless be a continuation or acceleration of existing ones: US-Soviet tensions seem likely to persist; the disruptive effect of the turmoil in China will be felt for many years at home, but China will still be a very significant power in Asia; the political, economic, and social problems of the poorer nations generally seem likely to persist and in some places to intensify; the two superpowers—the US and USSR—seem likely to continue to lose more of the authority and respect which they have enjoyed in the past. Two significant new trends can already be identified: the old ideologies are losing much of their impact, and new forms of radicalism are ap-

pearing; and at least two new world power centers are emerging—Japan and the European Economic Community—with very substantial economic power and undeveloped political potential.

Any prediction of trends over a decade must be treated with reserve because in nearly every case there are forces at work which could alter them. Sudden and significant swings in Soviet policy cannot be ruled out. The Chinese revolution could partly succeed, though this seems unlikely, or it could be soon suppressed and Communist order restored, though this also seems unlikely. Changes could occur rapidly in Europe. Some of the poorer nations could collapse into anarchy or be overcome by their economic weaknesses; in some world regions there could be a rapid disintegration of several existing regimes. The assumption, most likely valid, that the world economy will continue to grow could be undermined by a breakdown of international cooperation on monetary and trading arrangements.

In Europe the influence and authority of the superpowers is especially under challenge. Their influence among their allies is being eroded, partly because East-West tension in Europe has been reduced and partly because the states involved—in both halves of Europe—wish to assert greater national independence and to dissociate themselves from US or Soviet policies of which they disapprove. Southeast Asia and East Asia will remain areas of contention during the decade ahead, with the intensity of the conflict dependent in large measure upon the course of events in Vietnam. The Near East seems likely to be an area of turmoil for at least another decade, and new fighting on a major scale will probably occur in the Arab-Israeli conflict. The Soviets will attempt to expand their influence in the Arab world and will probably succeed, though new political movements there, as elsewhere among the poorer nations, seem likely. Events in tropical Africa probably will have less effect upon world affairs than developments in most other areas; the African states are becoming more deeply absorbed with their own problems. In Latin America the US will face increasing diplomatic and political challenges throughout the continent and the weakening of a variety of joint ventures. Some truly revolutionary regimes may come to power; they will probably not be Communist but highly nationalistic and suspicious of the US.

The political atmosphere of the world over the next decade thus seems likely to be dominated even more by uncertainty than in the recent past. There will be a growing tendency for various nations to defy the great powers which have been their protectors and sustainers. The world climate will be one in which host nations will less and less welcome foreign bases or the stationing of foreign troops, even when they find them advantageous for their economy and security. At the same time, the national interests of the superpowers will become increasingly complex. Both will probably seek means to make the competition between them less overt, less expensive, and less binding than in the past. Terrorism, guerrilla warfare, and counterinsurgency as forms of conflict are likely to be more common than open military confrontations between national forces. In an atmosphere where confrontation between major powers becomes less direct, opportunities may develop to improve the formal and conventional relations between the superpowers, for example in the area of arms control. But it appears unlikely that any real detente can develop.

DISCUSSION

I. MAIN TRENDS IN THE WORLD SITUATION

1. The pace of change in the world continues to accelerate. Technological progress has opened up many areas to modern life for the first time; it has also brought to these areas the conflicts and frustrations of the modern world. Improved communications have markedly increased the interaction of developments in various parts of the world. Social and racial conflict or rebellion against authority in one area will, more than in the past, encourage dissatisfied groups in other areas to act on their own grievances. Antagonisms of the poor nations toward the rich will grow as awareness of the widening gap between them grows. This does not mean that the whole structure of world power will come unhinged in the decade ahead. The general shape of things may not be greatly different from what it is today, but there will be substantial changes in many places and among many of the structural parts. This estimate will discuss first those trends which seem likely to affect the world at large, then trends which seem primarily regional in their impact, and finally contingencies which, if they materialized, would quite profoundly affect the world order.

A. Continuing US-Soviet Tensions

2. The shift from the flamboyant leadership of Khrushchev to the bureaucratic administration of the present collective has produced a change of style in the conduct of Soviet affairs, both at home and abroad. There has been a greater

appreciation of the complexity of international problems and the limits of the USSR's ability to act on these problems, and a related disinclination to move forcefully, or even to threaten to do so. At the same time, there has been a reversion to earlier attitudes, a growing reluctance to temper traditional suspicions of the outside world or to soften hostile attitudes toward the US. Conservative tendencies are also evident on the internal scene: a gradual movement toward more orthodoxy in doctrine including even a partial rehabilitation of Stalin, a sterner party line toward restive intellectuals, and a somewhat more repressive and conformist atmosphere in general.

3. Soviet military power continues to grow. Programs under way indicate an effort to achieve some kind of parity with the US, especially in strategic missiles. The Soviet leaders no doubt would like further to improve their military position, and to attain the attendant political and psychological benefits, but they are facing new decisions of great complexity about how to overcome America's present strategic advantage. They appear to have decided upon a continuing across-the-board improvement of their capabilities, with special attention to certain arms, such as the navy, where they have been relatively inactive.

4. Even though they may be uncertain about what they would in fact achieve by continued deployment of their existing modern weapons inventory, the Soviet leaders probably would be unable, even if they wished it, to slow down very much the momentum which any large military complex possesses. Some tapering off in new advanced weapons deployment is possible, but would depend heavily upon US policy and the world situation generally. Military research and development, however, has been and will continue to be one of the highest priority undertakings in the Soviet Union. The Soviet leaders regard such an effort as imperative in order to prevent the US from gaining a technological advantage, to gain—if possible—some advantage for themselves, and to strengthen the technological base of Soviet power. But, in those research and development programs about which we have knowledge, we see nothing which would give the Soviets a clear advantage or in any other way significantly alter the present relative strategic positions of the US and USSR. Considering the long lead time required for the effective development of new weapons, a technological breakthrough—if it occurred—would probably not lead suddenly to a new level of power, at least during the next five years or so.

5. Several new factors have entered into Soviet calculations which seem likely to persist for some time. One is the deepening hostility between the USSR and China; this has prompted the USSR to begin deploying more substantial elements of its forces on the long Soviet-Chinese frontier and in Outer Mongolia. Another is the reduction of tensions with Western Europe, which has made the chances of war in Europe seem more remote. A third factor is the USSR's increased military interest in areas outside Eurasia proper. This is manifested in its role as a major supplier of military goods and advisers to a number of non-Communist states. It is seen in an enlarged scale of Soviet naval operations worldwide. In the years ahead, the Soviets may acquire significant capabilities

for military intervention in remote areas. Thus the nature and role of the USSR's military power, as the Soviet leaders see it, may be changing.

6. Whether Soviet-American relations become more or less tense over the next decade will depend not so much on the USSR's military strength as on the set of its foreign policies and on the character of its leadership. The Soviet leaders have frequently chosen to pursue Russian national interests rather than those of the international Communist movement. But the USSR has in no way withdrawn from those doctrinal precepts which make a Communist world the goal of the Soviet state. Its propaganda remains menacing and its actions still reveal a willingness to pursue provocative and occasionally risky policies. At the same time, however, the Soviet leaders have in some ways a vested interest in the status quo. This is most obvious in relations with other Communist states and in the international Communist movement, but is also reflected in attitudes toward various international questions (e.g., nuclear proliferation). In some areas (e.g., Latin America), Moscow has found it expedient to conserve and nurture political resources rather than to use them in revolutionary ventures. And toward the US, while on the one hand maintaining a generally antagonistic stance, and on the other permitting piecemeal improvements in the relationship, the Soviets seem mainly interested in avoiding extremes in either direction.

7. A significant change in the attitude of the Soviet leadership does not now appear to be in the offing. The younger men prominent in the party today may be less doctrinaire than their elders but are certainly not well disposed toward the US. On the contrary, they seem hard and hostile, devoted to the notion of strong competition with the US. If more flexible and potentially friendlier politicians exist, they have not as yet revealed themselves to us, or, perhaps, even to each other.

B. Continuing Turmoil in China

8. For the past few years, China has been undergoing a revolutionary upheaval which has succeeded thus far in destroying or disrupting much of the stability and order achieved after 1949. The present period thus appears to be transitional, out of which will emerge a political order different from Mao's. Motivated by his desire to create a truly new society and a new kind of Communist man, Mao has done damage which will take years to repair and has set forces in motion that will profoundly affect the Chinese scene for a generation. Thus, his likely passing during the next few years will not make up for the economic development which has not taken place, the youths who have not been educated, the enfeeblement of the Communist Party, the thorough disruption of communication between generations, and the failure to put something solid in the place of the social and political institutions which have been under attack.

9. Disruptive effects of the Cultural Revolution will probably be felt for many years, and thus continue to constrict China's influence in the world. Nevertheless, China is developing an advanced weapons capability which, though it will be modest in size even a decade hence, will have political and psychological

significance at home and abroad. China will be a nation with enormous economic and social problems, but still a very significant power in Asia. Almost any new leadership in China will resent the influence of the USSR and the US in Asia and work to reduce and remove it. China might become much bolder in such efforts, especially vis-a-vis the US in Southeast Asia, but it might also be more flexible in the means employed.

C. Growing Problems Among the Poorer Nations

10. The impact of the modern world upon the poorer nations is revolutionizing their way of life and complicating their problems. The consequence is frequently failure and disorder, as unprepared leaders and elites try to cope and the hopes of populations are unfulfilled. In some former colonial areas, ignorance and lack of experience make it unlikely that present governments will survive. In others, archaic institutions and entrenched aristocracies will collapse before rising demands for modernization and change. Tribal and class rivalries, antagonism among ethnic groups, and racialism will probably boil over within some of the new states. Extreme forms of nationalism may arise and hinder realistic programs and solutions. None of these situations can be readily changed, or easily influenced from outside, and widespread poverty will add to the potential for disorder.

11. Some nations will continue to have great difficulty providing enough food to meet their rapidly expanding populations. Many countries with a past record of food shortages probably will increase output more rapidly in the future because they are devoting more resources to the problem and beginning to take advantage of recent technological advances in agriculture. But populations will also continue to grow very fast, even in those few countries likely to undertake birth control programs on a large scale. Some countries will export enough to obtain the foreign exchange for necessary food imports without short-changing other sectors of the economy. For others, the costs of obtaining sufficient food will severely impede industrial development. And in most of the less developed nations, ignorance, illiteracy, and traditional ways will operate to keep improvements in production and distribution of food far below what is possible.

12. Acute famine is unlikely over the next decade, except in localized situations where poor governmental management and problems of distribution exacerbate food shortages. But even if food supplies improve somewhat in many of the poorer nations, chronic malnutrition with its debilitating effects on the initiative and capacity of peoples will continue to be a severe problem. Food shortages are likely to be worst in Asia. Both China and India will have an uphill fight to achieve minimal self-sufficiency. In these large nations, the food problem must be solved primarily through population control and domestic production, since foreign exchange earnings and imports will remain small relative to the amounts of food needed. Elsewhere, areas which may face food deficits are Pakistan, the Indonesian island of Java, the Philippines, Malaysia, Morocco, and some of the Caribbean and Andean countries of Latin America. In some

cases, these deficits will reflect not only population pressure, but also demands which have grown because incomes have grown.

13. The poorer nations face other serious problems. Fluctuations in world prices of primary products on which many of them depend will, as in the past, impede development. Economic progress itself, while beneficial in the long run, is likely to be a source of further political instability. The combination of industrialization and rural poverty draws many people from the countryside into urban slums, where expectations of a better life—particularly among the youth—are generally disappointed. These problems are frequently made worse by economic policies which give priority to immediate desires and neglect the requirements of future stability and growth. In several of the more developed Latin American countries, for example, policies of expediency have led to a sequence of rapid inflation, shortages of foreign exchange, and recession. As the poorest and most backward nations begin the process of modernization and development, fairly simple problems will be displaced by more complex ones. Some less-developed countries will be able to control the strains and make great strides; South Korea, Taiwan, and Iran have shown it can be done. In many, however, economic and social change, urbanization, and increased political awareness are likely to be disruptive rather than stabilizing.

14. The amount and kind of economic aid available to the poorer nations will affect their prospects for economic progress in all fields. Over the course of the next decade, there may be increasing indifference and pessimism in the advanced nations toward the problems of the poorer states. We think that disenchantment with foreign aid is likely to grow because it is apparently bringing the donors fewer advantages than they had anticipated. Recent history would tend to suggest, for example, that Soviet aid to Cuba, the UAR, Indonesia, and India has produced less political benefit for Moscow than the Soviets had hoped. Aid programs will almost certainly be more cautiously administered and contribute fewer resources to developing nations than in the past. This might increase the pressure on some of the less-developed nations to adopt more effective economic policies; it could also cause some of them to abandon long-term goals for short-term expedients.

15. In general, the poorer nations appear likely to be the scene of considerable revolutionary activity. Only some of this will be Communist in origin. Much of it will simply be the consequence of a growing awareness that other people live better lives. New political ideologies may develop as the political institutions acquired from the advanced nations fail or come under attack. Thus, much of the revolutionary activity will be directed against the existing order of things, though many of the revolutionaries will be people whose only aim is to enjoy the privileges of power. But pressures for change and resistance to change will both become stronger, and the result is likely to be considerable violence. In some nations sweeping social changes may be initiated by the privileged themselves in an effort to protect themselves and to make the process orderly and constructive. Revolutionary leaders are likely to emerge from a variety of back-

grounds—the military establishment, the priesthood, local tribes or clans, the educated and the uneducated. Most will be ardently nationalistic and often anti-American. Not all of these revolutions will matter to US interest. Some will matter, and some will come to matter because the Communist powers will seek to subvert them to their own ends.

D. Declining Importance of the Old Ideologies

16. A growing tendency is emerging within the advanced nations to shuck off much of the intellectual baggage which was inherited from the 19th and early 20th centuries. The evangelical quality of Soviet communism has been on the decline for some time. Little of 19th century capitalist ideology remains; all advanced countries have become welfare states with managed economies. Most of the Socialists of Western Europe have accepted the market-system economic structure of their nations and are content to use the classical economic tools toward social ends. In Europe, even the Christian Democrats have become less consciously Catholic and have assumed the character of centrist parties mildly reformist and mildly concerned to protect clerical interest for political reasons. Some of the Communist parties in the West have become bureaucratic and tend to concern themselves with participation in the normal political process rather than with the vigorous pursuit of power.

17. Along with this decline in ideological politics, there appears to have arisen a nagging and sometimes widespread annoyance with the whole business of parties and politicians, of priests and parliaments. Antagonism to present ideologies and political processes appears most starkly in the discontent and even alienation of growing numbers of younger people and students. This discontent has broader causes than student grievances against university regulations or opposition to the Vietnam war, and it is not confined to those young people who participate in demonstrations or who have ostentatiously dropped out. It is an attitude held by many of the brightest and most capable among college and university students. We think that this will not prove to be a transient phenomenon. Certainly some students will abandon their present attitudes as they leave the university and enter upon working and family responsibilities. But a large proportion will, we believe, hold to the conviction that sweeping changes must be undertaken quickly in their societies.

18. All this is likely to bring new political and social strains in the advanced countries, both directly through the pressures the young people themselves try to exert, and indirectly through the sharp reactions which will be produced among older, conservative elements. Over the next few years, as France has shown, these activities could open deep fissures in modern society and threaten existing political and social institutions. In at least a few of the advanced countries, these attitudes among young people will contribute to growth of anti-US and anti-Soviet sentiment in both populations and governments. Over the longer run, alienated groups which reject present ideologies may provide fertile ground for new ideologies of a radical or totalitarian bent. Even now some of the student groups in various countries contain a blend of right and left radicalism.

19. The ideologies of the past generation appear to be waning also in the poorer nations. In the 1950's and early 1960's many of them seemed to believe that they had to have an ideology in order to claim their rightful place among the sovereign states of the world. Most of the ideologies—generally borrowed from the more advanced nations—soon proved irrelevant to their problems. Newer ideologies generated within these countries also failed to take root. The idea of an Afro-Asian entity that would play a role on the world stage alongside the superpowers has virtually disappeared. Nehru's idealism, Sukarno's New Emerging Forces, Nkrumah's Pan-Africanism, and Nasser's Pan-Arabism have all faded away. More effort is currently being expended on pragmatic improvisation and less on the construction and preachment of ideology—as expressed in dogma, programs, and structure—than in the recent past. Out of this, new nationalist ideologies, perhaps of a radical character, will probably arise as time goes by.

E. Decline in the Influence of the Superpowers

20. It is perhaps not unrelated to the decay of established ideologies that the US and USSR are losing some of the authority and respect which they once enjoyed. Each has been portrayed as archetypical of a particular ideological position. The concepts and institutions associated with the idea of World Communism under Soviet leadership and of a Free World under US leadership have lost much of their force. Among many of the poorer nations there is a feeling that the two superpowers do not really care about them, but only want to use them in their struggle with each other. There is a related belief that the two superpowers are much alike, that they are rich and materialistic nations which dole out largesse only in return for fiefdom, and then fail to honor their commitments when they are needed. Moreover, many countries now realize that there are great political inhibitions upon the superpowers in attempting to force their will on others, and this has led increasingly to the defiant pursuit of national interest despite great power diplomatic, and even economic, pressure.

21. In Western Europe, the US has lost considerable prestige. This is partly because the US is no longer felt to be needed as much as it formerly was. The Vietnam war has been unpopular; the US has lost respect for having gotten into it and for not being able to finish it quickly. America's economic strength is still seen as formidable, but the worsening of the US international financial position has increasingly limited US freedom of action abroad. US technology is both resented and sought after; fears of a technological gap have become a spur for nationalistic policies and European cooperation. Even Canadian-US relationships present a problem arising out of Canadian ethnic tensions and the reluctance of many Canadians to identify with US interests and policies. The USSR's troubles in Eastern Europe may be even greater than those of the US in Western Europe. What appears to be happening is that even the Communists of Eastern Europe want to escape the close-order drill which Moscow has imposed upon them. The national characteristics of these peoples are being

combined with, or are penetrating through, the Communist political and economic superstructure.

22. It would be easy to make too much of this trend in the positions of the two great powers. Changes may occur in the North Atlantic Alliance or the Warsaw Pact, but no major reversal of alliances is likely to take place. Instead the signs point to an erosion, whereby the various European nations—East and West—gradually assert a greater degree of independence in foreign relations and a broader control over their own economic development. It is, however, unlikely that there will be a general European settlement during this period: indeed, current trends could be greatly slowed down or even reversed by the development of new tensions or changes of policy by the superpowers.

F. The Emergence of New Power Centers

23. A decline in the authority of the two superpowers—in effect, the further weakening of bipolarism—is related in some measure to the fact that power is becoming dispersed. Besides China, several new and powerful nations or blocs of nations are developing. It is too early to determine whether all of them will in time rise to major stature. But two of them are rapidly becoming powers of such stature. One is Japan and the other is the European Economic Community (EEC). Neither is striving at the moment to influence events on a world scale; indeed, in both cases, it is their economic strength which is most widely felt. And, of course, in the case of the EEC, no central political authority or dominant leader now exists.

24. Japan's qualifications to become a major world power are considerable. It has replaced West Germany as the world's third industrial power. In a few years it will be the fourth largest trading nation in the world. In 10 to 15 years living standards will be comparable to those in the advanced nations of Europe. The rate of investment in industry and in the training of human resources is the highest in the world. Japan is becoming more assertive in regional affairs, though it is reluctant to assume the responsibilities which its powerful economic position would suggest. This restraint will probably not persist for long, though a headlong pursuit of world influence seems unlikely within the decade ahead, largely because the economic costs and political risks still seem too high. Probably the post important factors in determining what role the Japanese will choose to play will be the evolution of Japanese relations with the US in the economic and security fields on the one hand, and their perception of both the threat and the opportunities emanating from China on the other. How these factors develop will profoundly affect the domestic political balance as well as Japan's foreign posture.

25. In about a decade of life, the EEC has made substantial progress toward economic unity. Common external tariffs are being imposed, and internal customs eliminated. The EEC is now a single organ for international trade negotiations, its executive has been merged with that of the other six-nation communities, and national economic policies are subjected to community scrutiny and influence.

In the decade ahead, greater harmonization of economic policies is on the schedule, to cover such matters as agriculture, taxes, and money. In general, the results so far have been highly favorable for the economies of the nations concerned; having successfully come so far down the road, it would be extremely costly, and as a practical matter probably prohibitive, for any to turn back.

26. The EEC is becoming not so much a positive and active force in world affairs as a permanent and powerful factor of which others must take serious account. Even without any further formal steps toward greater political consultation or unity within the Community, the economic integration which is occurring is imposing restraints upon national foreign as well as domestic policy. Thus, individual nations are less free to pursue their own policies if these depart too far from those of their economic partners. This has restrained both France and West Germany, and it seems likely to continue to do so. The departure of de Gaulle from the scene, if it occurred in an atmosphere of political and economic turmoil in France, would for a while hamper the further progress of the Community, but his departure would also remove one of the main obstacles to the further integration of Community economic and political life.

II. PROBLEMS AND TRENDS IN MAJOR WORLD AREAS

27. No continent can insulate itself from the main forces at work in the world or from the impact of great power interests. Wars, revolutions, and political crises in one place will impinge more and more upon the national fortunes of those not directly involved. The discussion below is designed to take note of trends which, while they may seem largely regional in impact, are likely to have repercussions outside the area in which they occur.[1]

A. Asia

28. In Asia, prosperity in Japan, the growing importance of Australia, Cultural Revolution in China, confrontation in Korea, war in Vietnam, subversion in Southeast Asia, tension in the Indian subcontinent, and the pressures of population nearly everywhere present a varied picture. Some of these matters have been discussed above, and there is such uncertainty about others that contingencies affecting them are discussed later. It is essential to recognize that events in China will greatly affect all of Asia, that the problems of food, population, and economic development will overlay all other matters, and that in time Japan may come to play a much more important role. One of the major questions is the extent to which Western political and economic influence will continue to be an active force in the area. To an important degree the outcome depends upon the course of events in Vietnam, and upon US actions after the fighting has terminated.

[1] A number of current National Intelligence Estimates assess future trends in particular areas and nations. They generally cover a shorter time span but treat their subjects in more detail than is possible in the present estimate. See Annex for a list of those which are most pertinent to the purpose for which the present estimate was requested.

29. Assuming a negotiation in Vietnam which leaves the Communist apparatus and the non-Communist political forces intact but no longer in active combat, the situation in Vietnam and Laos would probably be indecisive for some time. Subversion in Cambodia and Thailand would continue, but could probably be contained. Elsewhere in Southeast Asia—in Burma, Malaysia, Singapore, Indonesia, and the Philippines—governments would confront the continuing and intractable problems of economic development and of nation-building; these would provide issues and situations susceptible of exploitation by forces wishing to unseat or subvert the existing regimes. By and large, the governments would probably get the better of it. Even if Vietnam fell fairly soon into the hands of a regime dominated by the Communists, the other regimes would probably not collapse, but their struggle for existence would become more intense and their survival more precarious. They have assets South Vietnam has never had, namely, relative peace, some sense of nationhood, and real successes against Communist subversion.

30. US intervention in Vietnam, Japanese alliance with the US, and US presence in other areas of East Asia and the Western Pacific have probably accomplished much that was intended. They have induced prudence in Peking and Moscow, encouraged a sense of security in the non-Communist countries, and provided some of the resources and skills for the development of more effective government and social and economic improvement. This is not to say that the situation is solid. On the contrary, great problems remain, and some of them will be intractable for a generation or more. But the same problems face those who would like to destroy existing regimes. Thus, for the decade ahead, it appears most likely that Korea and the lands of Southeast Asia will remain an area of contention, while China sorts itself out and Japan makes up its mind. Meanwhile the US will remain involved, constantly suspected of perfidy but constantly being importuned for help.

31. So long as the Chinese internal scene remains troubled, the threat to Taiwan will probably remain quiescent. In Taiwan itself there will be a transitional period when Chiang Kai-shek leaves the scene. His departure will probably precipitate some friction within the Kuomintang and between the mainlanders and the Taiwanese. It is possible, as the situation evolves both on the mainland and in Taiwan, that some effort at an accommodation would be made, or that the regime on the mainland would engage in new efforts to take over Taiwan. It appears unlikely, however, that any large group on Taiwan would willingly turn the island over to Communist control. The North Korean threat to South Korea seems unlikely to diminish and may intensify significantly from time to time. The South Korean regime, while it might undergo some change in leadership, will probably remain firmly tied to the US. There may be periodic rises in US-South Korean frictions over responses to North Korean actions and over military and aid policies.

32. In the Indian subcontinent, the political problems are more likely than those in Southeast Asia to be contained in regional scope and repercussions. Having fought a costly and inconclusive war, India and Pakistan will be more

cautious about approaching the brink. In Pakistan, the disruptive potential of provincialism and the unsettling consequences of modernization are being kept under firm control by an authoritarian, pragmatic regime which has to its credit very impressive successes in economic development. The prospect, however, is for growing political instability centering around the succession to President Ayub. In India, continuing, and probably increased, political turbulence appears likely as the nation attempts to cope, by democratic means, with religious, linguistic, and other communal rivalries, and with the frictions of massive but uneven social change. Moreover, the prospects for attaining a balance between food and population in the next decade will be heavily dependent on weather and foreign aid, as well as on India's own efforts. There appear to remain a sufficient sense of nationhood, a sufficient number of sensible people, enough signs of progress and sufficient hope generally to keep these nations together until solutions begin to take shape. But to all appearances political turmoil in the subcontinent will be a continuing feature, and may get worse before it gets better.

33. South of the Asian continent, the century-long dominance of Great Britain and British naval power in the Indian Ocean area will come to an end in the next several years as London completes its withdrawal east of Suez. Some of the areas where the British have had forces or bases may find it difficult to maintain either political or economic stability, and opportunities may arise for other powers, if they so desire, to extend their activities and influence. At the same time, Australia is becoming a much more important force in this area. With its close alliance to the US and close ties to Malaysia and Singapore, and with its rapidly growing economy, Australia is likely to be a key locus of Western strength in the Indian Ocean area throughout the 1970's.

B. The Near East and North Africa

34. The Near East will be an area of turmoil and probably warfare for at least another decade. The goal of Arab unity seems likely to escape those Arabs who search for it, in large part because national interests have strengthened and will probably continue to do so. Diversity within the Arab world seems to be growing rather than receding; some nations are making remarkable progress, while political disunity and economic distress harass others. The Arab states of North Africa, where these considerations also apply, appear increasingly to be going their own way.

35. The problems raised by the Arab-Israeli war of 1967 remain unsolved, and most of them seem not even to be fully appreciated by the parties principally involved. Arab frustration has risen, but no new course has been set. Bitterness against the Israelis has increased, and the governments of the defeated states have been shaken. Some new political movements will probably arise, but it is too early to foresee their character. The most likely thing the Arabs will do is to prepare for a new war against Israel. Israeli truculence being what it is, new fighting on a major scale will probably occur in coming years and will probably result in new Israeli victories. This situation will be

the source of pressures upon the great powers, who could promote an easing of tensions if they could agree among themselves, but this they probably cannot do. Turmoil up to a certain level will likely serve Soviet purposes, but the Soviet leaders may be unable to control the situation. They will attempt to extend their influence and will probably succeed. But even in the most susceptible Arab states they will encounter some reserve against foreign influence, in others stiffer resistance, and in some (e.g., Tunisia) a strong disposition to incline toward the US. The Soviets probably will not wish to risk, and probably could not succeed in, trying to establish out-and-out Communist regimes in the area; at the same time, they will not be able to shrug off some responsibility for those whom they have accepted as clients. Thus it may be difficult for the US and USSR to avoid confrontations in this area even though they wish to.

C. Sub-Saharan Africa

36. Tropical Africa seems likely to have less impact than other areas on world affairs. Most of the independent states now on the scene are likely to survive in some form, though there might be a few splits and perhaps a merger or two. Most African states will continue to be introspective, absorbed with their internal problems, particularly those involved in the movement from tribalism toward nationhood. In the process they will encounter formidable financial troubles, and will be hard pressed to allocate scarce resources among education, health, military demands, and economic development. There will be a considerable amount of confusion and instability, including tribal strife, factional disorders, and urban unrest, as the new states grope for leadership and for political forms and policies which more nearly correspond with the aspirations of the populace. The educated elites now emerging will be increasingly influential. Economic development will be spotty and generally poorly organized. It will largely depend upon outside assistance and upon the possible development of new resources.

37. African leaders are likely to become increasingly ambivalent toward the US, the USSR, and other major foreign powers. All states will need assistance from abroad for development (in some cases merely for maintaining a semblance of a modern state), but most will resent the attempts of donors to build influence in their countries. Given the sensitivity of African governments and their tendency to blame outsiders for their lack of progress, the US and the Soviets will have a difficult time translating aid, goodwill, and acceptance into meaningful political influence. France, the United Kingdom, Communist China, and Israel are also likely to play important roles in parts of black Africa, but all will encounter some resistance and, like the superpowers, will find it difficult to establish or maintain firm centers of influence. Ethiopia will probably remain stable while Haile Selassie lives, but his passing will usher in a time of great uncertainty, which could be prolonged and violent. The confrontation between blacks and whites in southern Africa will cause continuing diplomatic problems for the US in Africa and in the UN, though the black liberation movements are unlikely to make significant progress for some years. Communist countries

will continue to support these movements, but probably will not themselves become directly involved.

D. Latin America

38. For years there has been frequent political turbulence in Latin America; coups and assorted power grabs have been commonplace. But the resulting changes of government have usually brought about little real social change, and most countries have continued to be ruled by the same oligarchies or military groups. Despite the existence of some popular anti-Yankee sentiment, these governments generally have provided a more friendly and pliable environment for US interests than has existed in most other parts of the world. But this environment has already begun to change. Over the next ten years there is a good chance that some truly revolutionary governments will come to power. The Castroist-Communist insurgency movements seem likely to decline in strength. Soviet diplomatic, commercial, and cultural activities will probably increase. Any revolutionary regimes which emerge would be unlikely to be Communist controlled but would tend to be highly nationalistic, suspicious of the US, and more amenable to Soviet overtures than their predecessors.

39. The arrival of new revolutionary regimes on the scene will probably lead to further decay of close relationships with the US. Even without the advent of revolutionary regimes, a number of anti-American themes are likely to develop and to endanger special US positions. The more advanced countries will probably demonstrate resentment over US efforts to influence their economic development, their military procurement, and their positions on inter-American and international issues. The main obstacles to Latin American progress toward modernization seem likely, if anything, to loom larger: population growth, backwardness in agricultural production, weak civilian political leadership, and many deeply ingrained traditions of a social and political character. Thus the US, as the principal outside protector and tutor, will face increasing diplomatic and political challenges throughout the continent and the weakening of a variety of joint ventures, from the Alliance for Progress to military collaboration.

40. Particularly serious problems will arise in Panama, where social and political conflict and antagonism over arrangements concerning the Canal Zone will probably mount even beyond present levels. It will continue to be exceedingly difficult to work out new arrangements acceptable both to Panama and the US, and even if one Panamanian government accepts a new agreement its successor might not honor it. We believe the prospects for new treaties acceptable both to Panama and the US are bleak; in the end, the question of US base rights may be more contentious than that of the present Canal and plans for a new one.

III. CONTINGENCIES

41. Any estimate of trends over a period as long as ten years must be treated with reserve. Some things are simply unpredictable; some trends accelerate and some stop or reverse. Those which have been discussed in the two pre-

ceding sections are the most likely, but there are clearly forces at work which could alter them, particularly as one enters the second half of the decade ahead. Some of these other lines of development are discussed below. While these alternatives and possibilities do not now seem likely, there is a sufficient chance of their occurring that account should be taken of them.

A. In Soviet Policy

42. As in other states, Soviet political life is dynamic, and there will be changes in the leadership and in the influence of various sectors of society on the leadership. Our basic judgment is that such changes seem likely to produce gradual shifts in policy, rather than abrupt swings. But sudden and significant changes certainly cannot be ruled out. They could be provoked, for example, by the emergence of a single leader with the will to wrench Soviet society into new conformations. Rapid change could also come about as the consequence of a dispersion of political power among vested interest groups, the various regions, or even the people at large.

43. Sudden alterations in the leadership or in the overall political structure would, of course, vitally affect the USSR's foreign policies. While there is no inevitable pattern associated with personal dictatorship, a single leader, subject to few domestic restraints, might be impulsive and might be inclined—perhaps partly as a means to protect his own position at home—toward new adventures abroad. On the other hand, dispersed authority might tend to divert energies to domestic concerns, stimulate discord, and obstruct clear courses of international action. Greater participation of the public in the political processes would almost certainly lead to more emphasis on consumer welfare, partly at the expense of the military, and this in turn would probably in the long run make Soviet foreign policies less bellicose. In any event, however, both the rulers and the people of the USSR will be aware of their country's position as a world power and unlikely voluntarily to give up the interests, responsibilities, and ambitions associated with that status.

B. In China

44. Although the forces which Mao has loosed in China appear more destructive than constructive, it is nonetheless possible that he might have some measure of success, that these forces might surge forward after his death, and that the kind of permanent revolution he has envisaged might push China to new levels of domestic achievement and revolutionary impetus. This could, indeed, be quite upsetting to the peace of Asia and to the more realistic and pragmatic character of the Communist movement in the world today. It could aggravate tensions on the Chinese-Soviet frontier, stimulate revolutionary activity throughout Asia, and encourage Japan quickly to reassess its policy in Asia and in the world at large.

45. It is also possible that, rather than succeed, the Cultural Revolution will be repressed more rapidly and effectively than now seems likely, and that the pragmatists within the government and the military will ruthlessly reestablish Communist order. If they could do so only in part of the country, there would be in effect a partial destruction of the nation. If they could do so nationwide they would set upon the tasks of rebuilding the party and its instruments of control, or institutionalize military control. They would probably also attempt to set to rights China's external relations, lower the temperature in Chinese-Soviet relations, and avoid costly and dangerous foreign adventures. Even so, it would be very doubtful that Soviet-Chinese unity could be restored or that Chinese hostility toward the US would be substantially reduced. With appropriate economic policies and management, China might be able to ease its food and population problems and to get economic development under way again. Economic strength, in turn, would enhance China's international influence.

C. In Europe

46. It is also possible that the trends noted in Europe—decline of US influence in the West, growing congruence of interest and economic integration in the EEC, and reduction of Soviet authority in Eastern Europe—could greatly accelerate or abruptly be reversed by events. The Communist opponents of liberalization in Eastern Europe are still strong and capable of fighting back. They could provoke enough disorder, for example, to provide the excuse for the imposition of police or military control (where they still control those forces) or for Soviet military intervention (as in Hungary in 1956). Or, they could provoke a new crisis in Berlin, thus raising tensions generally and providing the pretext for a tightening up all around Eastern Europe. Such changes of direction in the East would have the effect of reviving, temporarily at least, a greater unity of purpose between West European nations and the US.

47. On the other hand, the movements toward greater independence of the US and USSR in both Western and Eastern Europe could accelerate far more than we now think they will. If Czechoslovak liberalization proceeds apace, and the Czechs get away with it, pressures on other East European governments to follow suit could mount rapidly. The passing of Ulbricht could even lead to changes in East Germany. Ten years hence, Eastern Europe could be politically as close to Western Europe as to the USSR. In Western Europe itself, the passing of de Gaulle could lead to major changes in French politics, a leftist president, and a popular front government. And there might be far greater acceptance of Communists or extreme leftists in other West European governments as well—in Italy or Scandinavia, for example. The North Atlantic Alliance could disintegrate at a faster pace than now seems likely. In short, a dramatic alteration of the European structure of power could conceivably come about quite quickly, creating a situation in which most Europeans would regard even a token US military presence on the continent as undesirable.

D. In Areas of Contention and Turmoil

48. In addition to China, other areas where struggles are going on are places concerning which it is difficult to feel confident of one's judgment. While it now appears unlikely, the possibility must be recognized that the Arab east or the Indian subcontinent or some areas of Africa could fall into complete chaos, that some possible outcomes of the war in Vietnam could lead to a rapid disintegration of existing regimes in Southeast Asia, that a major nation of Latin America or Europe could confront such serious problems of internal division or economic weakness as to lead to a breakdown of order. In some cases, the emergence of widespread political and social chaos might not be a matter of much consequence to US interests. In other cases it might matter very much.

49. Beyond a recognition that such contingencies could arise, it is worth noting that the impact of such events may depend upon the degree to which other nations choose to allow themselves to be affected or upon the extent to which these events are exploited by one's rivals. Anarchy in India, for example, might be very bad for India but might not menace the US unless it appeared that America's opponents could exploit the situation. The inherent depth of the problem might make such outside exploitation impossible, thus removing the area from international contention. On the other hand, the extent of the American psychological and political commitment in Southeast Asia is so great that a quick disintegration of the established regimes there in the wake of a political settlement in Vietnam might make considerable difference to relative power positions all over East Asia.

E. In the World Economy

50. Except for the problems of population, food, and development noted in connection with trends among the poorer nations, the discussion so far has been based upon the assumption that most nations would continue to grow economically, that world trade would continue to mount, and that technological progress would continue at a moderate pace to spread its benefits among most nations of the world. This assumption is probably correct. Nevertheless, there are possibilities which could invalidate it in whole or in part.

51. The most likely source of danger to continued world economic growth is the current world monetary crisis. This growth has been strongly stimulated by an expanding world trade and was facilitated by the lowering of trade barriers and a stable international economic system anchored on the US dollar. Since the early 1950's the US has consistently run large deficits in its balance of payments and has thereby supplied a large part of the world's needs for new liquid assets in the form of dollars and of gold drawn from its large reserve. In recent years, however, European governments have become reluctant to help finance US deficits by holding dollars, and confidence in the dollar has diminished as US gold reserves have dwindled. Steps to resolve the international monetary problem have been initiated. The question is how rapidly these steps

will be put into effect and by what means the US balance of payments deficit is corrected. If there were a breakdown in international cooperation and if the major trading nations undertook to protect themselves by means of competitive trade and payments restrictions, trade and economic activity could be badly hurt, and a world economic depression could occur.

52. Technological advances not now foreseen probably could not markedly change the world economy in one decade, but they might make possible new developments in the arms race. Scientific discovery, stimulated by arms programs, is moving at a rapid pace. While new weapons systems are costly and have long lead times, new discoveries are constantly being made and new vulnerabilities can suddenly appear. Thus, uncertainty can exist even when parity or superiority might be apparent. While the great powers are those which would most seriously be affected by sudden breakthroughs in their opponent's scientific and technical development programs, the effect of technological progress on weaponry is by no means limited to them. By the end of the coming decade quite a number of countries could have nuclear weapons if they chose to develop them. While the military advantage of such capabilities in the hands of a second or third rate power is often overestimated by those who advocate them, the political and psychological effect which they would have upon their adversaries might be considerable.

53. The rate at which technological progress operates to improve well-being in the less developed nations will be partially dependent upon discovery and exploitation of resources in these areas themselves. The entire economies of some nations, as in the past, could be changed unexpectedly if oil or other marketable commodities were discovered in their lands, or if world needs for particular commodities were altered in a major degree. Thus, it is now possible to hope that such iron ore suppliers as Mauretania and Liberia can make progress toward modernization, and that such new oil producers as Algeria and Egypt can grow at a more rapid rate than in the past.

IV. IMPLICATIONS

54. Whether or not any of the contingencies noted above materialize, the political atmosphere of the world over the next decade will be dominated by uncertainty. For example, even should the fighting in Vietnam be brought to an end, Southeast Asia will remain an arena of conflicting interests; even should the turmoil in China cease, it will be some years before the character and direction of the new regime emerge. A reversion to one-man rule in the USSR, a major political realignment in Europe, the dissolution of a large country such as India, or the disintegration of a strategic area such as the Arab world would magnify this sense of uncertainty.

55. In this atmosphere, and with the experience of the 1960's behind them, the major powers will have real difficulties in formulating policies. Memories of their mistakes will tend to deter them from undertaking new commitments, but fear of the consequences of inaction will press them toward at least some

form of intervention. Whether they wish to emphasize it or not, the two major powers—and many of the others—will be obliged to engage in competition for influence and position. But there are now and probably will continue to be strong reasons for this competition to assume forms less overt, less expensive, and less binding than in the past two decades.

56. Among these reasons are the declining malleability of foreign situations, the economic costs of assuming responsibility for other nations, the difficulties of controlling foreign leaders, the risks of inducing hostile reactions, and the penalties intervention might provoke among friendly powers. Indeed, in the world at large there seems to be a growing tendency among nations and peoples to insist upon their right to stand alone and even to defy great powers who have been their protectors and sustainers. This tendency creates a climate in which host nations will less and less welcome foreign bases or the stationing of foreign troops, even when they find them advantageous for their economy and security.

57. A major factor militating against costly and binding commitments is a growing complexity of national interest and a growing dissimilarity between the symbols and actualities of interest. A nation's economic interests might flourish most readily when its efforts to assert foreign political influence are least (Japan is a case in point), or a nation might retain great political influence even after withdrawing the symbols of its power (France in Africa). Moreover, the value of an interest in one part of the world might rise or fall relative to that in another as political conditions, military strategies, or economic and resource requirements alter over time. Sea space, air space, and outer space may become more important than particular pieces of real estate.

58. In these circumstances, it seems likely that the interventions of the greater and lesser powers, and confrontations between them, might become less direct. Terrorism, guerrilla warfare, banditry, and counterinsurgency, often supported from without, will be more common than open military confrontations between national forces. Advice, training, and logistical support by foreign military or clandestine services will be more common than the open operations of foreign military units, and naval and air patrolling in international space more common than naval and air force participation in organized operations. In the economic field, growing resistance by the recipient to the strings upon economic aid and the declining value of the returns to the giver may promote a greater reliance upon international consortia, private investment, or outright gifts than in the past. The various agencies of the UN will continue to play a useful role in economic development, public health programs, and related areas. The UN's role in security questions will probably continue to be largely what it has been in the past—a forum for letting off steam or for face-saving, delays, or compromises.

59. In such an international atmosphere, it is conceivable that some steps might be taken to improve the formal and conventional relations between the great powers—for example in the area of arms control. But a rather fierce competition will almost certainly continue beneath the surface, and it appears

unlikely that anything approaching a real detente can develop. Open antagonism between the US and USSR could abate, as it has from time to time, without any real reconciliation. Real change in US-USSR relations, or a substantial and permanent reduction in the influence of the superpowers, would flow from the rise of other power centers—China, Western Europe, and Japan. These centers have already become so important to the future positions of both the US and USSR that each must divert some of its attention to courting, neutralizing, or countering them, thus diluting and broadening the competition for influence, power, and world leadership.

60. Given this broader arena of competition, options are also becoming broader and main lines of national policy less simple to define. Methods of pursuing national policies thus might become more subtle with apparent contradictions while long and short-term objectives are pursued simultaneously; bridge-building and truculence can go hand in hand. It might be possible in this kind of world for competing powers to unite in programs to attack hunger, narrow the dangers of nuclear warfare, explore space, exploit the high seas, or control the world's weather. This is not to say that the next decade will initiate an era of good feeling. Serious tensions and even threats of another world war will arise from time to time, but the chances appear good that a common interest in containing them will prevail.