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IDENTIFICATION AND MEASUREMENT OF U.S. INTERESTS
ABROAD: A QUANTITATIVE ANALYSIS OF U.S. STAKES
AT THE SUB-THEATER LEVEL AND THEIR RELATIVE
VULNERABILITY TO LOCAL CONFLICTS

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Westinghouse Electric Corporation

Prepared for:

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November 1974

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IDENTIFICATION AND MEASUREMENT OF U. S. INTERESTS ABROAD (U)

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FINAL TECHNICAL REPORT

November 1974

Contract No. MDA-903-74-C-0223

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ABSTRACT

The study to be reported upon here has two main objectives: first, to develop a systematic means for rank-ordering foreign countries on the basis of a series of explicit, quantifiable measures of the U.S. interest abroad; secondly, to provide a preliminary statement of the relative level of threat that U.S. subtheater interests may be exposed to as the result of local inter-state conflict.

The first main objective consisted of three secondary tasks: first, to develop an operational definition of U.S. interests, or stakes, abroad as they are manifest in the myriad of public and private overseas involvements; secondly, to uncover the dimensions of variation among the empirical evidence of the U.S. stake overseas; and, thirdly, to rank-order the countries analyzed in terms of both discrete dimensions of stake, as well as the overall level of U.S. involvement. This was accomplished for five (1968-1972) annual time frames.

Six independent dimensions of the U.S. stake at the subtheater level were delineated, and ninety-three (93) countries were rank-ordered on each, as well as across an aggregate measure of all six.

The same set of countries were evaluated in terms of the relative level of local, inter-state conflict behavior they had experienced over the period 1961-1973. The severity of thirteen years of conflict was measured with the help of a conflict continuum scale consisting of twenty-three generic types of conflict-interaction. Annual conflict scores were aggregated into a series of final, weighted conflict intensity indices for 1973. Country interest scores were juxtaposed with the pertinent conflict intensity indices in a display of ranked levels of U.S. security concern.

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Stakes at the Sub-Theater Level and
Their Relative Vulnerability to
Local Conflicts

Final Technical Report

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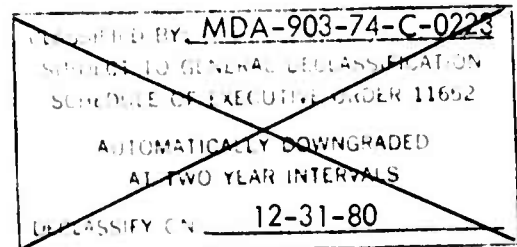
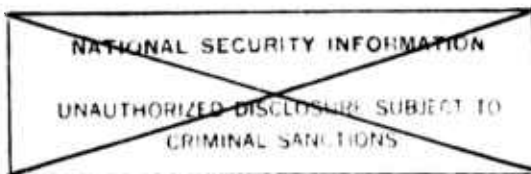
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(U) The Westinghouse CASA study team included:

- J. S. Breemer - Senior Social Scientist and Principal Investigator
- P. H. Fenn - Social Scientist and Principal Investigator
- J. K. Lewis - Research Analyst

(U) Significant contributions to the study were made by J. R. Brinsley and other members of the CASA staff. Special acknowledgment is due to Dr. J. R. Blaker and Col. R. E. Erickson of the Office of the Assistant Secretary of Defense (Program Analysis and Evaluation), without whose substantive and organizational support this study would not have been possible in its present format.

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(U) Finally, the views and conclusions contained in this document are those of the authors and should not be interpreted as necessarily representing the official policies, either expressed or implied, of the Advanced Research Projects Agency or the U.S. Government.

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REPORT SUMMARY

(U) The chief objective of the study was to throw light on an important, albeit limited, aspect of the U.S. interest abroad. Specifically, the study restricted itself to consideration of those facets of U.S. overseas involvement, or "stakes," which are explicitly manifested and measurable in the myriad of public and private activities on the part of the Country's citizens and institutions abroad. This means that no explicit effort was made to account for such intangibles as ideological preferences, national prestige, or national survival, except as those might be implicit in the empirical evidence of U.S. international activities.

(U) The geographic focus of the analysis was on the sub-theater or local level. This was justified on the basis that most strategic analyses have tended to concentrate on regional (e.g. Central Europe, Middle East) policy concerns at the expense of an extensive appreciation of the local stake that the U.S. might have abroad. This study was conceived as a first step toward providing such an appreciation, by developing a framework for systematic comparison of local areas across consistent and explicit measures of the U.S. interest. R factor analysis was employed to develop this estimating procedure, thereby rank-ordering almost one hundred countries based on the cumulative scores of thirty measured indicators (variables) of U.S. commercial, political, military and socio-cultural activities abroad.

(U) A multi-dimensional profile was uncovered, which included six independent patterns of U.S. involvement: (1) international commerce, (2) political-military activity, (3) trade penetration, (4) foreign assistance, (5) political-military visibility (ubiquity), and (6) a final dimension that reflected a highly correlative per capita relationship between the dollar value of U.S. foreign arms sales, and the number of U.S. residents abroad. All countries in the sample employed were assigned "factor-scores," first in terms of the individual six dimensions, and, secondly, on the basis of a composite cross-dimensional index.

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(U) Although the complete data base included more than ten years of data, only the final five years (1968-1972) were subjected to analysis, both to test the consistency of the U.S. interest "model" over time, and to investigate possible trends in the data. Model consistency was surprisingly high, thereby indicating the overall continuity, or stability, of U.S. involvement patterns over the years in question. On the strength of this pervasive stability, a tentative effort was made to extrapolate a five-year, future trend in U.S. worldwide involvement. This was accomplished statistically, and the results are valuable to the extent that they permit various speculations about the role of the U.S. in the foreseeable future.

(U) A corollary research objective was to initiate a systematic assessment of the potential risks, or hazards, that U.S. sub-theater stakes might be exposed to as a result of local conflict situations. The working proposition was that rational defense resource planning is logically a product of U.S. interests and risk, with local interstate conflicts being one aspect of risk, though not necessarily the most important one (domestic instability and U.S.-Soviet competition being two others).

(U) It should be stressed that the conflict portion of the study was designed first and foremost as a "pilot effort" to highlight the relevance of this interest study to a rational estimation of U.S. defense planning concerns. The concepts and procedures used to evaluate local risks were by no means exhaustive, nor were they meant to be. A rough measure of external threats at the local level was developed, simply to illustrate in explicit terms the contention that force and contingency planning could indeed be rationally based upon some measure of threatened loss. Future work will hopefully deal with the concept of "risk" more fully.

(U) The study considered over one hundred local interstate conflict issues which had involved the use or threat of military force in the period 1961-1973. Issues were described with reference to the respective primary parties involved, foci of contention, and the amount of conflict behavior observed during the time-frame of interest. Each issue and the relevant parties were assigned a

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numerical "conflict intensity score" which was computed on the basis of the cumulative scaled value of thirteen years of conflict interaction data. The notion of conflict "obsolescence" was incorporated by subjecting intensity scores from the preceding years to a non-linear conflict obsolescence rate, using a system of weighted moving averages. This phase of the study resulted in over one hundred countries being assigned conflict intensity scores, thereby providing an explicit measure of one aspect of potential risk to local U.S. stakes abroad.

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SECTION 1

SCOPE AND OBJECTIVES

1.0 INTRODUCTORY REMARKS

(U) This study, its conceptualization, methodological procedures, and results, are the product of a close working relationship between a CASA study team and analysts within the Office of the Assistant Secretary of Defense (Program Analysis and Evaluation), Special Regional Studies. To assure the fullest degree of communication and analytic interaction it was agreed that the CASA investigators would work substantially on an in-house basis. There is no question that this arrangement has been highly beneficial to both sides. Close coordination on the progress of the study assured that the CASA team remained constantly aware and appreciative of the customer's operational-bureaucratic requirements.

(U) The broad objective of the study, i.e., a rigorous assessment of the current "state" of U.S. interests abroad, was approached in the spirit of an exploratory venture. In the course of its progress, new data were uncovered and novel ideas and concepts were developed and explored. For instance, there was a growing realization that a singular statement of U.S. interests abroad had little relevance as a guide to defense planning unless accompanied by an estimation of the associated risk and potential loss to those interests. A first-step toward identifying potential "loss areas" was taken when it was decided to develop an initial cross-national assessment of local interstate conflict levels to be integrated into the overall study.

(U) An additional consideration that developed in the course of the study was the notion of U.S. "visibility" abroad. Namely, it appeared that relative levels of U.S. involvement (e.g., number of U.S. military forces per capita

of the host country's population) might constitute a crucial attribute of the general involvement phenomenon. Certainly, this would seem to be so from the perspective of a highly "saturated" host country. Consequently, it was felt that a full appreciation of the U.S. stake in a country should include a measure of its ubiquity.

1.1 STUDY PURPOSE

(U) Defense planning, and in particular the decision to commit inherently scarce defense resources, involves a complex process of sorting, evaluating, and comparing a welter of quantitative and qualitative considerations assumed to bear upon the particular situation at hand.

(U) There are grounds to believe that a decision to commit U.S. military resources abroad will be subject to growing scrutiny and skepticism. This implies that defense planners and decisionmakers will have compelling reasons to be fully explicit about, and confident of, the information on which they base their plans and solutions. Retired General Maxwell D. Taylor observed recently in this regard, "...the military component [of national security]...must have a convincing rationale which can be readily explained to the satisfaction of the majority of our people."*

(U) Central to the planning process is the idea of the national interest. An explicit identification of its character and magnitude, in conjunction with an exhaustive understanding of the threat, provides the basic framework for prioritizing contingency and force planning.

(U) The overall objective of the study was to develop an explicit framework and methodology for identifying, measuring, and rank-ordering potential geographic areas of U.S. defense planning concern. In order to pursue this objective in a systematic manner, two main tasks needed to be accomplished.

(U) The first and primary study task was to define and measure the scope and composition of U.S. interests as they are manifested in actual U.S. overseas

*"The Legitimate Claims of National Security," Foreign Affairs, Vol. 52, No. 3, April 1974, p. 578.

involvement. Concepts were defined, variables selected, and nearly one hundred countries were "scored" on six unique dimensions of the U.S. stake abroad.

(U) The second task was to attempt to develop a systematic means for evaluating and comparing sub-theater threat levels. Over one hundred local interstate conflicts were identified and measured in terms of their relative intensity or magnitude.

(U) The results derived from the two main study tasks were joined to produce an operational rank-ordering of geographic areas of U.S. planning concern.

1.2 STUDY CRITERIA AND ASSUMPTIONS

(U) While defense planning has traditionally tended to center on the strategic and theater levels, the major methodological focus of the present study concentrated on the sub-theater level. The rationale and general force requirements for strategic nuclear deterrence have been reasonably well defined, as have those for the Central European theater. However, because of the overwhelming nature of the strategic and Central European threat, sub-theater contingencies have received substantially less systematic attention, and have tended to be viewed much as an "afterthought" to the highly structured strategic and theater level planning process. There are reasons to believe, however, that the potential for local crises and conflicts will become an increasingly salient planning concern. SALT's institutionalization of strategic nuclear parity, the ongoing process of U.S.-Soviet political detente, plus the prospect of Central European force reductions have encouraged the widely-held belief that the likelihood of a strategic nuclear exchange or a major European theater war has been substantially reduced.

(U) U.S.-Soviet detente has been paralleled by an accelerated decentralization of the international system. One consequence of this phenomenon is that U.S. policy and interests will be interacting with an increasing number of discrete centers of international power whose own interest will sometimes conflict, sometimes coalesce with those of the U.S. The recent diplomatic conflict between the U.S. and Western Europe (who themselves were divided) over the former's

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military response to the Arab-Israeli October War, and the subsequent oil embargo, suggests that the Western Europeans are increasingly apt to actively confront the U.S. with a divergent set of interests.

(U) The multi-polarization of the international system has, by definition, resulted in a weakening of U.S. (and Soviet) theater-wide alliance systems, and, furthermore, has made the future utility of regional policy approaches doubtful. U.S. appreciation of this development appears to be substantiated by the fact that the past region-wide solution to the security of the Middle East, i.e., CENTO, has presently been replaced by a more country-specific approach (e.g., Iran).

(U) In short, it is likely that U.S. policy will increasingly focus on, and respond to, interests at the local level. Given this condition, the relevance of a sub-theater estimation of U.S. interests, and associated threats, is evident.

2.0 THE CONCEPT OF THE NATIONAL INTEREST

(U) Few concepts are as central to the study of international and foreign policy behavior as the "national interest." National decisionmakers and students of international relations alike have used the term as the rather matter-of-fact explanation and justification for such dramatic developments as the creation and break-up of alliances, the decision to go to war, the extension of billions of dollars in military and economic assistance, and so forth. According to one leading theorist addressing the interest concept, "Interest is the perennial standard by which political action must be judged and directed."*

(U) Despite the term's crucial importance as the supposed underpinning of most international behavior, there is a surprising lack of explicit and systematic definition. James N. Rosenau has listed some of the principal ambiguities that surround the concept which have detracted from its value as an analytic tool:

*Hans J. Morgenthau, Politics Among Nations: The Struggle for Power and Peace, 2nd ed. New York, N. Y.: Alfred J. Knopf, 1954, p. 528.

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One is the ambiguous nature of the nation and the difficulty of specifying whose interests it encompasses. A second is the elusiveness of criteria for determining the existence of interests and for tracing their presence in substantive policies. Still another confounding factor is the absence of procedures for cumulating interests once they have been identified. This is in turn complicated by uncertainty as to whether the national interest has been fully identified once all the specific interests have been cumulated or whether there are not other, more generalized, values which render the national interest greater than the sum of its parts.*

(U) The relative absence of objective criteria for identifying and measuring interests has compelled a number of thoughtful analysts to conclude, in the words of two of them, that, "The national interest is what the nation, i.e., the decisionmaker, decides it is."**

(U) Despite its lack of tangible precision and apparent subjective understanding, the use of the concept by national decisionmakers as the crucial explanation of a nation's foreign policy actions requires a continuing analytic effort to at least minimize the area of ambiguity. One useful approach in this regard is to attempt to break-out the national interest into conceptually distinct and definable components.

2.1 THE COMPONENTS OF NATIONAL INTEREST

(U) The term "interest" has been employed with different emphases and in different definitional contexts. In its widest sense, it has been used as the variable reference for national actions, attitudes, and assets.

(U) Interest as action refers to the phenomenon where policy initiatives once explained as "in the national interest" frequently tend to acquire meaning of their own, and become insulated from the values that they presumably promoted. For

*James N. Rosenau, The Scientific Study of Foreign Policy, New York, N. Y.: The Free Press, 1971, p. 243.

**Edgar S. Furniss and Richard C. Snyder, An Introduction to American Foreign Policy. New York, N. Y.: Rinehart, 1955, p. 17.

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instance, historical momentum, organizational inertia, and concern with allied and adversary perceptions have given the act of maintaining a U.S. overseas troop presence an importance above and beyond the specific values that justified such presence in the first place.

(U) Distinct from interest as action is interest as attitude. The latter refers to the expressed concern on the part of national decisionmakers with international events. The extent of national interest-as-concern is controlled by a number of considerations: ideology, personal decisionmaker biases, rapidity of communication, the relative "permeability" of the domestic society to outside occurrences, and the nation's perception of its ability to influence the course of events. The latter consideration has been expressed in Ernst B. Haas' observation that "The greater the capability and the higher the power status, the broader the scope of national interest."* Criticism of the U.S. role as the "world's policeman" refers to the progressive increase in worldwide concerns that has tended to parallel the expansion of U.S. national capabilities.

(U) Evidently, given its highly personal and temporal quality, the interest-as-attitude component of the national interest concept has contributed in great part to the term's overall ambiguity.

(U) Much less uncertainty surrounds interest-as-asset. Assets in this sense refer to the U.S. share or stake in international "valuables," be they political, economic, military, or cultural, and are reflected in the volume and expanse of the country's overseas involvement.

(U) Interest-as-asset, or "stakes" as the term will be used from hereon, represents the observable, measurable U.S. participation in international affairs. Their geographic distribution, intensity, and dimensional profile provide an explicit record of the actualized concerns of this country's citizens and government. Stakes result from, and are protected by, interest-as-action and interest-as-attitude; for instance, the U.S. has a tangible military stake in Western Europe in the form of its

*Ernst B. Haas, Tangle of Hopes - American Commitments and World Order. Englewood Cliffs, N. J., Prentice - Hall, 1969. p. 69.

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actual troop deployment resulting from an historical action taken "in the interest" of the U.S. Contemporary concern with the potentially adverse effects of removal of this stake is expressed in interest-as-attitude.

(U) Evidently, a pressing foreign policy dilemma is the perceived dichotomy between the actuality of U.S. stakes and their ideal, or desirable location. Judging by the volume of academic and official pronouncements in recent years on the need to reassess and reorder U.S. interests, commitments, and involvements, this dilemma has become particularly acute today.

(U) Unlike interest-as-action or attitude, stakes are, in general, readily identifiable and form a relatively consistent reference point for U.S. policy. Few would doubt, for instance, that the presence of U.S. citizens abroad and the need for their protection has been, and will continue to be, a persistent theme in U.S. foreign policy. Consequently, it may be predicted with a fair degree of confidence that, irrespective of prevailing decisionmaker beliefs and biases, threats to American lives overseas will elicit at least some form of U.S. protective response. Conversely, the degree of expressed concern with international stability as a general U.S. policy problem area is much more transient and prone to the influence of time-bounded factors such as ideology, relative power distributions, etc. As a result, it is vastly more difficult to estimate the character, or even the fact, of a U.S. response to some local conflict, say, ten years hence.

(U) In the final analysis then, the purpose of a systematic and explicit identification of U.S. interests abroad is to limit, where feasible, the unpredictability of potential focal points of U.S. policy concern. By concentrating on an in-depth analysis of U.S. stakes, this study aims to contribute definitional and operational precision to the national interest concept. As such, it has proceeded in the spirit of Ernst Haas' advice of a few years ago:

. anybody endeavoring to distill the notion of national interest from the confused welter of foreign policy activities and of the relevant domestic and international issues and events, must decide how far he would like to go in his search for clarity and precision, and also how far he intends to go despite the costs, delays and other obstacles

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he is likely to encounter. The scholar's desire for precision is probably much greater than that of a politician but both have to come to terms with the intractable nature of their subject and accept the fact that precision will almost certainly fall short of what they desire, and that looking for it is rather costly.* (Emphasis in the original.)

3.0 U.S. STAKES ABROAD

(U) U.S. international involvement is a multi-dimensional phenomenon. It includes the initiatives and activities of both private as well as public sources. Privately, the U.S. is engaged in activities such as trade, commerce, investment, tourism, etc. Public involvement includes the ongoing, diplomatic and military representations of official U.S. government agencies, ranging from the Department of Agriculture to the defense establishment. While separable in theory, private and public involvement have become intermingled. Once limited to the conclusion of favorable trade agreements and, as a last resort, military protection, official support for the overseas concerns of private citizens has expanded to include subsidies, credits, investment insurance, and overseas aid programs specifically designed to promote U.S. commercial advantage.

(U) In view of this structural overlap, a description of U.S. involvement in terms of four hypothetical functional dimensions may be more useful. They are commerce, politics, defense, and socio-culture. To be sure, these distinctions are purely intuitive and may have little or no actual significance. Rather, they are primarily of value as a heuristic device in order to establish a useful conceptual framework for identifying and operationalizing U.S. stakes abroad. Indeed, one of the purposes of the study was to empirically establish the dimensional parameters of U.S. involvement.

(U) The utility of identifying and describing U.S. stakes in terms of formally distinct dimensions of commercial, political, military, and socio-cultural involvement lies in the fact that their operational meaning is generally well understood, and relevant data are widely available.

*Ibid., pp. 141-142.

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3.1 DIMENSIONS OF STAKE

(U) The following section further defines the dimensional aspects of the U.S. stake abroad and describes the procedures that were used to operationalize the stake concept into mathematically manipulable variables.

3.1.1 The Political Dimension of Stake

(U) The political dimension of the U.S. stake abroad identifies those formal non-military government activities designed to protect or promote the ability of the U.S. to influence and control the actions of other governments. While it is hardly feasible to arrive at a precise measure of the actual political stake of the U.S. in a foreign country, it is possible to identify a variety of indicators of the expressed U.S. interest in a country. As an example, the direction and frequency of government-to-government visits was used by Steven J. Brams in his attempt to conceptualize the flow of inter-nation influence.*

(U) Besides frequency of official visits and consultations, the size of diplomatic representation appears to be an important indicator of the importance the U.S. attaches to a foreign country, and therefore an indicator of its political stake abroad. Similarly, the magnitude of effort expended in the dissemination of information about U.S. policies and practices at home and abroad may be postulated as a potentially useful reflector of U.S. concern with a foreign country's goodwill and understanding. The volume of in-country activities on the part of the U.S. Information Agency is likely to be representative in this regard.

(U) Non-military assistance programs have long been promoted on the grounds that they advance the political interest that the U.S. has in the recipient countries. One knowledgeable author has observed that:

The basic, long-range goal of foreign aid is political. It is not economic development per se The distinctions between appropriation categories are really artificial and bureaucratic, for 'development' aid also serves many political purposes. Regardless of what AID

*Steven J. Brams, "The Structure of Influence Relationships in the International System." James N. Rosenau, ed., International Politics and Foreign Policy, rev. ed. New York, N. Y.: The Free Press, 1969, pp. 583-599.

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officials say publicly, the political rationale is frequently preponderant in decisions to provide aid.*

(U) In addition, the bilateral and multilateral formal treaty relationship among countries should contain significant evidence of the political importance that the signatories attach to their relationship. The conclusion of a diplomatic treaty frequently signals the realization that a previously informal and ad hoc relationship has become sufficiently important to the parties to warrant its institutionalization.

(U) Cultural exchange programs have been advanced as a patently political activity. The Department of State has stressed their value as possible precursors of regular diplomatic relations (e.g., in the case of the PRC) and as a means to maintain communications when formal relations have ruptured. The principal stated objective of U.S.-sponsored and funded cultural and educational exchanges is the creation of "mutual appreciation of each other's policies." Consequently, if the frequency of exchanges is a reliable indicator of desired "appreciation," one would expect that countries receiving the bulk of cultural funds and exchanges include those viewed as most relevant to U.S. foreign policy objectives.

(U) Similarly, the ultimate goal of the Peace Corps program should be viewed as primarily political. Agricultural, health, and educational progress in the developing countries is generally perceived as a prerequisite for economic advancement and, ultimately, political stability. The latter, in turn, is considered a highly desirable pre-condition for effective U.S. foreign policy.

(U) A controversial aspect of the U.S. political stake abroad is the potential impact of the economic concept of "sunk costs." There is a wide consensus that a substantial U.S. investment in economic and military assistance in a country tends to inflate its "actual" value. Inferred prestige, a sentiment of obligation to the recipient, and concern with the potentially adverse effects of program modifications on recipients and adversaries have made it exceedingly difficult for the U.S. to slow-down or halt "program momentum." Charles Wolf, Jr., observed the following on the

*Lloyd D. Black, The Strategy of Foreign Aid. Princeton, N. J.: Van Nostrand, 1968, pp. 18, 19.

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"symbolic political value" of countries as the result of prior U.S. commitments:

Although it is a standard precept of economics to ignore costs that have been previously expended, or "sunk," in deciding whether or not to undertake a new investment, in this particular context sunk costs may be quite relevant. To the extent that such prior costs have signaled to other countries that the United States has placed great value on the integrity of a particular country, the repercussions that would ensue from the loss of the country will be enlarged. In this sense, prior costs and prior policies may have the effect of inflating the political value of a country beyond its quantitative economic and military values.*

Consequently, it seemed appropriate to include the cumulative value of post-World War II U.S. economic assistance programs as a potentially important indicator of the current U.S. political stake abroad.

(U) Finally, analysis of voting cohesion in the U.N. General Assembly may possibly provide useful insights into the extent of shared political interests between the U.S. and other member nations.

(U) In sum, the following indicators of the U.S. political stakes abroad were selected for operationalization:

- U.S. Worldwide Bilateral and Multilateral Formal Treaty Relationship (ALL TRET)
operationalized as the aggregate number of Senate ratified and Executive formal foreign agreements secured since June 1, 1945, and in force on December 31, 1972.
- U.S. State Department Representation Abroad (STATE DE)
operationalized as the total number of U.S. and foreign nationals employed by U.S. embassies abroad.
- U.S.I.A. Representation Abroad (USIA STR)
operationalized as the total number of U.S. and foreign nationals employed by the U.S. Information Agency abroad.

*Charles Wolf, Jr., United States Policy and the Third World - Problems and Analysis. Boston and Toronto: Little, Brown and Co., 1967, p. 19.

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- U.S. Peace Corps Representation Abroad (PEACE CO)
operationalized as the total manpower strength of Peace Corps representation abroad.
- Frequency of Diplomatic Consultations (DIP EXCH)
operationalized as the reported frequency of official bilateral visits and consultations between U.S. and foreign heads of state and foreign ministers.
- U.S. Non-Military Assistance (AID)
operationalized as the annual dollar value of the A.I.D. and predecessor agencies' non-military assistance programs.
- Cumulative U.S. Non-Military Assistance (CUM AID)
operationalized as the 1949-present cumulative dollar value of the A.I.D. and predecessor agencies' non-military assistance programs.
- U.S. - Sponsored Cultural and Educational Exchanges (CULT PEO, CULT MON)
operationalized as 1) the annual number of State Department-funded and sponsored cultural and educational exchanges of U.S. and foreign nationals, and 2) the annual dollar value of State Department-funded bilateral cultural and educational exchange programs.
- U.S. - U.N. Voting Cohesion (UN VOTNG)
operationalized as the percentage frequency of member-nation voting cohesion with the U.S. in the General Assembly and specialized committees.

3.1.2 The Commercial Dimension of Stake

(U) The notion of a U.S. commercial stake abroad is easier to grasp than its political counterpart. Concern over balance of trade, the supply of needed resources, and nationalization of overseas investments are a daily expression of the relevance of the concept. Indeed, for a long time in its history, the protection of commercial stakes was virtually the sole concern of U.S. foreign policy. As recent

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as 1938, Secretary of State Hull had to impress upon the Senate that U.S. interests in the Far East and Europe were not measured solely in terms of commercial dollars:

The interest and concern of the United States in the Far Eastern situation, in the European situation, and in situations on this continent are not measured by the number of American citizens residing in a particular country at a particular moment nor by the amount of investment of American citizens there nor by the volume of trade. There is a broader and much more fundamental interest—which is that orderly processes in international relationships be maintained. Referring expressly to the situation in the Far East, an area which contains approximately half the population of the world, the United States is deeply interested in supporting by peaceful means influences contributory to preservation and encouragement of orderly processes. This interest far transcends in importance the value of American trade with China or American investments in China; it transcends even the question of safeguarding the immediate welfare of American citizens in China.*

(U) A number of widely-accepted notions of the U.S. international commercial stake exist. They include: volume of imports, exports, direct private investment, overseas banking, and citizens engaged in those activities outside the U.S. Precise definition of commercial values is more complicated, however, than appears at first sight. Wolf has observed, for instance, that, "The value of a country or area as a source of United States imports is not equivalent to the total value of imports from that area." That instead, ". . . .the net gains from United States imports from a particular area can be approximated by the difference between what we currently pay and what we would have to pay if the imports were to be bought from the next-best sources."** (Emphasis in the original.)

*Department of State, Press Releases, January 15, 1938, pp. 100-105. Cited in Bernard K. Gordon, Toward Disengagement in Asia: A Strategy for American Foreign Policy. Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1969, p. 45. [A logical question is why the interest in maintaining "orderly processes in international relationships" — to secure U.S. commerce and the lives of citizens, perhaps?]

**Charles Wolf, Jr., p. 14.

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The author points out that the loss of a U.S. export market should be evaluated following the same principle and that, finally, the dollar value of U.S. commercial investments abroad should be appreciated not in terms of book value, but instead by their net value, i.e., the discounted value of the income stream associated with them.*

(U) From a purely economic perspective, the author's arguments on the value of direct private investments are well-founded. Empirical difficulties seem overwhelming, however, if one were to attempt to establish appropriate discount rates, particularly since these are likely to be heavily influenced by the investors' perception of the risk to their investments. Thus, an investment in a high-risk area is likely to be discounted much more rapidly than a similar venture elsewhere in a stable environment.

(U) In short, while conceptually sound, the empirical requirements are simply too complex to attempt to calculate the net value of U.S. trade and investments worldwide. Consequently, it was decided to identify and operationalize U.S. commercial stakes in terms of their total dollar value:

- U.S. Import Pattern (US IMPT)
operationalized as the total annual dollar values of U.S. imports from abroad.
- U.S. Export Pattern (US EXPT)
operationalized as the total annual dollar values of U.S. exports abroad.
- U.S. Direct Private Investment (INVESTMT)
operationalized as the total dollar book value of U.S. privately owned or controlled direct investments abroad.
- U.S. Banking Abroad (BANKS AB)
operationalized as the total number of U.S. national branch banks overseas.

*Ibid., pp. 12-15

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- U.S. Other Agency Representation Abroad (OTH AGCY)
operationalized as the total number of U.S. and foreign nationals employed by the departments of Health, Education and Welfare, of Justice, Agriculture, and of the National Aeronautics and Space Administration (N.A.S.A.) overseas.
- U.S. Residents Abroad (US RESID)
operationalized as the total number of U.S. nationals residing overseas.

3.1.3 The Military Dimension of Stake

(U) While comparatively easy to identify because of their high visibility, the justification for using U.S. military stakes abroad as an independent dimension of international involvement is controversial. Even more than a political investment, the prevalence of U.S. military involvement is presumably reflective of other, non-military, stakes whose security and well-being the former is expected to promote. History has shown, however, that military stakes have tended to acquire significance above and beyond their original rationale, and, have frequently become a focus of U.S. policy in their own right. For instance, the presence of large numbers of U.S. military forces who were in the process of withdrawal from South Vietnam became a compelling factor in U.S. policy, requiring protection. In short, a military investment abroad frequently acquires a life of its own, and, as such, represents a tangible, independent aspect of the U.S. stake.

(U) The most concrete of military stakes is undoubtedly the actual presence of U.S. military forces. Foreign deployment of combat troops has both symbolic and actual significance. It has actual value as a tangible combat contribution to allied defense efforts, while symbolically it signals the express U.S. concern with the security of the pertinent country or area and its willingness to defend it, if attacked. General Earle Wheeler thus suggested that ". . . by the presence of U.S. forces in Spain, the U.S. gives Spain a far more visible and credible security guarantee than any written document."*

*Cited in U.S. Senate, Committee on Foreign Relations, Subcommittee on U.S. Security Agreements and Commitments Abroad, Hearings, Vol. II, 91st Congress, both sessions. Washington, D. C.: G.P.O. 1970, p. 2360.

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(U) Foreign U.S. military presence derives its symbolic strength particularly from the fact that unlike large numbers of civilian overseas residents or private investments, it represents an extension of the U.S. proper; an attack on U.S. military forces is virtually equivalent to an attack on the U.S. homeland.

(U) Foreign military deployments are generally paralleled by the acquisition of service-owned or leased real property. The billions of dollars invested in the construction of the capital superstructure that supports the U.S. overseas military presence becomes a tangible stake in its own right, which may become lost as the result of "military nationalization" as occurred, for instance, following France's demand of U.S. troop withdrawal in the 1960's.

(U) Military assistance programs (grant/aid) represent an additional useful indicator of the U.S. military stake abroad. While ultimately political in its purpose, the immediate stated objective of providing military assistance is to enhance the indigenous defense capabilities of the recipients, and thereby to ease the direct defense responsibilities of the U.S. To the extent that the strengthening of recipient nations is perceived to further U.S. security, military assistance represents a tangible U.S. military stake.

(U) Military sales activities are distinct from defense assistance in a number of ways. First, military sales involve countries that can afford to pay the prevailing price for military equipment and services. One would expect therefore that assistance recipients, on the one hand, and sales recipients on the other, involve, by and large, different sets of countries. The ability to pay limits a country's dependence on one particular supplier, while, conversely, receipt of large-scale assistance programs is likely to create and perpetuate a dependency status. Finally, military sales programs enter into the national balance of payments stream, and consequently may constitute a significant commercial as well as military stake. The economic importance of arms sales may conceivably result in a downgrading of the military criteria that underlie the defense assistance decision.

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(U) Evident indicators of a U.S. military stake are mutual defense treaties and defense-related agreements. Formal mutual defense alliances are a particularly binding form of international obligation. According to Robert E. Osgood's definition, "an alliance is defined as a formal agreement that pledges states to cooperate in using their military resources against a specific state or states and usually obligates one or more of the signatories to use force, or to consider (unilaterally or in consultation with allies) the use of force, in specified circumstances."*

(U) None of the formal mutual defense treaties presently in force detail the precise course of action the U.S. is obligated to undertake in support of a threatened ally. According to former Secretary of State Rusk, ". . . .(formal treaty) commitments do not bind us to any particular course of action. . . .How we act in fulfillment of these obligations will depend on the facts of the situation."**

(U) Formal defense-related agreements frequently supplement and further narrow the general phraseology of mutual defense pacts. Status of forces agreements, pacts on the exchange of defense-related industrial patents, or the exchange of nuclear weapons data suggest themselves as potentially important descriptors of the U.S. military stake in a country.

(U) Summarizing, the following military stake variables were identified for operationalization and analysis:

*Robert E. Osgood, Alliances and Foreign Policy. Baltimore, Md.: Johns Hopkins Press, 1968, p. 17.

**Statement on August 25, 1966 before the U.S. Senate, Preparedness Investigating Subcommittee of the Committee on Armed Services, Hearings, World-wide Military Commitments, 89th Congress, 2nd session, Washington, D. C.: G.P.O., 1966, p. 7.

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- U.S. Military Presence (TOTL MIL)
operationalized as the total number of uniformed U.S. military personnel abroad.
- U.S. Military Property (DOD PROP)
operationalized as the total dollar value of U.S. service-owned and leased real property, active and inactive, industrial and non-industrial.
- U.S. Security Assistance (DEF ASST)
operationalized as the annual delivered dollar value of military assistance under the Military Assistance and Excess Stocks programs plus the annual programmed value of equipment and service so transferred under the Defense Assistance Services and Other Programs and Loans.
- Cumulative U.S. Security Assistance (CUM DEF)
operationalized as the 1950 - present cumulative delivered dollar value of military assistance under the Military Assistance and Excess Stocks programs, plus the 1950-present cumulative programmed dollar value of equipment and services transferred under the Defense Assistance Services and Other Programs and Loans.
- U.S. Military Sales (MIL SALE)
operationalized as the annual delivered dollar value of military equipment transferred under the Military Sales Program and Commercial Sales Program.
- Cumulative U.S. Military Sales (CUM SALE)
operationalized as the 1950-present cumulative delivered dollar value of equipment transferred under the Military and Commercial Sales Programs.
- U.S. Worldwide Bilateral and Multilateral Formal Military Treaty Relationship (MIL TRET)
operationalized as the aggregate number of Senate-ratified and Executive formal foreign defense-related agreements secured since June 1, 1945, and in force on December 31, 1972.

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3.1.4 The Socio-Cultural Dimension of Stake

(U) The notion of a U.S. socio-cultural stake abroad is perhaps less nebulous than appears at first sight. The existence of a common language and shared liberal-democratic experience has long been pointed to as one of the principle drivers of the U.S.-British "special relationship." The special place of Western Europe as a continuing source of cultural infusion, and the Soviet awareness of the Continent's close cultural bonds with the U.S., have led many observers to declare that the U.S. military presence is superfluous if its main purpose is to signal a commitment to defend the area. According to Warner T. Schilling, et al., in a recent book:

Whatever the change in the size of the military presence in Europe, the basic American commitment to Western European defense. . . . is quite unlikely to change. Even with a growing American unwillingness to risk a thermonuclear exchange, the U.S. will find it difficult to close its nuclear umbrella over Western Europe and perhaps even more difficult to make either its allies or the Soviet Union believe that the umbrella finally and firmly has been closed. With men on both sides of the Atlantic thinking of each other as part of "us," Americans will not easily contemplate the prospect of standing aside in the hour of Western Europe's crisis.**

(U) Similarly, the U.S. support for Israel has been partly explained on the grounds of ". . . shared values, cultural affinities, and a common ethical and religious heritage. . . .," thus leaving on the part of many Americans "something like a sense of personal involvement in the destiny of Israel."**

*Warner T. Schilling, et al., American Arms and a Changing Europe. New York: Columbia University Press, 1973, p. 87.

**The Middle East and American Security Policy. Report of Senator Henry M. Jackson to the U.S. Senate, Committee on Armed Services, 91st Congress, 2d session. Washington, D.C.: G.P.O., 1970, p. 2.

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(U) Finally, Edmund Stillman and his colleagues have gone so far as to declare that, "Strong emotional ties are often a more reliable cement of alliance than naked calculations of self-interest; indeed it is true that often self-interest itself will be best advanced by the existence of such unreasoning ties."*

(U) Cultural involvement thus seems to be a pertinent aspect of the U.S. stake abroad. As suggested above, cultural stakes are evidenced in ethnic ties, shared customs and religion, common language, and political ideals — in short, a common appreciation of the essence of human and societal values.

(U) An important means of cross-cultural diffusion is immigration, particularly so in the case of the U. S. Third and fourth generation Americans frequently still speak of themselves as "part English" or "part French." Likewise, the growth of the civil rights movement in the 1960's was accompanied by an increased awareness of black citizens', and therefore the U.S.' African heritage — an awareness which has become translated in explicitly stated concern with Sub-Saharan developments.

(U) The network of cross-cultural sympathies is reflected in, and strengthened through, the daily contacts that U.S. tourists travelling abroad have with foreign nationals and institutions. Similarly, the national origin of foreign visitors to the U.S. presumably reflects the informal network of interpersonal contacts and national sympathies.

(U) The following variables were selected and operationalized as representative of the U.S. socio-cultural stake concept:

- U.S. Immigration Pattern (IMMIGRAT)
operationalized as the total number of immigrants arriving in the U.S. between 1900-1972.

*Edmund Stillman, Herman Kahn, and Anthony Wiener, Alternatives for European Defense in the Next Decade. Report HI-383-RR (Rev.), prepared for the Director of Defense Research and Engineering, August 2, 1964. Harmon-on-Hudson, N.Y.: Hudson Institute, Inc., 1964, p. 6.

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- U.S. Visitors Abroad (CIT ARIV)
operationalized as the annual number of U.S. nationals returning from abroad.
- Foreign Visitors to the U.S. (ALIENS A)
operationalized as the annual number of non-residents arriving in the U.S.

3.2 THE CONCEPT OF "VISIBILITY"

(U) The contemporary concern with U.S. foreign involvement has focused in particular on the potentially adverse effects of what may be termed a "saturating presence." An overwhelming U.S. presence abroad, and the high visibility that goes with it, is likely to make U.S. stakes - be they commercial or military - a "natural" target for indigenous dissidence. Dr. Marvin Zonis of the Center for Middle Eastern Studies at the University of Chicago testified before a Foreign Affairs subcommittee in 1973 that the then-recent killing of a U.S. colonel in Iran was, in his opinion, "a response to the rapid expansion of American military personnel."* Even more prevalent is the belief that according to Leo Model, "The greater the extent to which U.S. companies dominate the economy of foreign nations, the greater will be the fear and resentment to which they give rise."**

(U) Countries with a high U.S. profile are not necessarily the same as those of high U.S. absolute stake value. Since U.S. visibility abroad should be understood as a relative phenomenon, i.e., relative to the "size" of the country in

*U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on the Near East and South Asia, Hearings, New Perspectives on the Persian Gulf, 93d Congress, 1st session. Washington, D.C.: G.P.O., 1973, p. 105

**Leo Model, "The Politics of Private Foreign Investment," Foreign Affairs, Vol. 45, No. 4, July 1967, p. 648. [For an empirical investigation of the relationship between U.S. presence and anti-Americanism, see the recent article by Chong-Soo Tai, et al., "Internal Versus External Sources of Anti-Americanism: Two Comparative Studies," The Journal of Conflict Resolution, Vol. 17, No. 3, September 1973.]

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question, it is evident that a country of high stake value in "absolute" terms, may not necessarily be saturated in, say, per capita terms. For instance, the residence of 20,000 U.S. nationals in a country with a population of one million, creates much higher U.S. visibility than in a country of ten million. The criterion of proportion is similarly relevant to an assessment of the impact of U.S. military or economic assistance.

(U) An assessment of countries in terms of the degree of U.S. visibility should provide an indication of their relative "dependence" on the U.S. Conversely a loose statement of relative U.S. dependence may be extrapolated from identification of the countries ranking high in terms of "absolute" U.S. stake value. A hypothetical "commercial stake" example illustrates the point: Countries A and B import respectively one hundred million, and ten million dollars worth of goods from the U.S. The two figures represent respectively ten percent and sixty percent of A and B's total imports. Evidently, the U.S. balance of trade depends more on A than B, while conversely, B is more dependent on an uninterrupted flow of U.S. imports than is A. Juxtaposition of the two indices will hopefully provide insights into relative degrees of U.S. dependence, independence, and interdependence. In order to conceptualize and operationalize the concept just discussed, a number of stake variables and their root values were transformed into per capita and percentage derivatives according to the following procedure:

3.2.1

(U) U.S. Political Visibility

- U.S. Non-Military Assistance per Capita (AID/POP)

operationalized as the annual dollar value of the A.I.D. and predecessor agencies' non-military assistance programs, divided by the recipients' total population.

- Cumulative U.S. Non-Military Assistance per Capita (C-AID/P)

operationalized as the 1949-present cumulative dollar value of the A.I.D., and predecessor agencies' non-military assistance programs, divided by the recipients' total population.

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- U.S.-Sponsored Cultural and Educational Exchanges per Capita (CULT/POP)

operationalized as the annual number of State Department-funded and sponsored cultural and educational exchanges of U.S. and foreign nationals, divided by the target nation's total population.

3.2.2

- (U) U.S. Commercial Visibility

- U.S. Share of Exports (PER EXPT)

operationalized as the percentage value of a country's exports to the U.S.

- U.S. Share of Imports (PER IMPT)

operationalized as the percentage value of a country's imports from the U.S.

- U.S. Residential Visibility Abroad (PROP RES)

operationalized as the total number of U.S. nationals residing overseas, divided by the total population of the country of residence.

- U.S. Direct Private Investment per Capita (INVS/POP)

operationalized as the total dollar book value of U.S. privately owned or controlled direct investment abroad, divided by the host country's total population.

- U.S. Banks per Capita (PROP BNK)

operationalized as the total number of U.S. national branch banks, divided by the host country's total population.

3.2.3

- (U) U.S. Military Visibility

- Foreign Reliance on U.S. Arms Transfer (ASS/DEF)

operationalized as the aggregate total dollar value of U.S. military assistance and arms sales divided by the recipient's defense budget.

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- U.S. Arms Sales per Capita (ARMS/POP)
operationalized as the annual delivered dollar value of military equipment transferred under the military sales program and commercial sales program, divided by the recipient's total population.
- Cumulative U.S. Arms Sales per Capita (C-ARMS/P)
operationalized as the 1950-present cumulative delivered dollar value of military equipment transferred under the Military Sales Program and Commercial Sales Program, divided by the recipient's total population.
- U.S. Security Assistance per Capita (SECU/PC?)
operationalized as the annual delivered dollar value of military assistance transferred under the Military Assistance and Excess Stocks programs, plus the annual programmed value of assistance under the Defense Assistance Services and Other Programs and Loans, divided by the recipient's total population.
- Cumulative Security Assistance per Capita (C-SECU/P)
operationalized as the 1950-present cumulative delivered and programmed dollar value of U.S.-military assistance transferred under the programs listed above, divided by the recipient's total population.
- U.S. Military Presence per Capita (PROP/MIL)
operationalized as the total number of uniformed U.S. military personnel abroad, divided by the host country's total population.
- U.S. Military Property per Capita (PROP/POP)
operationalized as the total dollar value of U.S. service-owned and leased real property, active and inactive, industrial and non-industrial, divided by the host country's total population.

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- 3.2.4 (U) U.S. Socio-Cultural Visibility
- U.S. Visitors Abroad per Capita (PROP CIT)
operationalized as the annual number of U.S. nationals returning from abroad, divided by the total population of the host country.
 - Foreign Visitors to the U.S. per Capita (PROP ALN)
operationalized as the annual number of non-residents arriving in the U.S., divided by the total population of the country of origin.

4.0 THE DATA

(U) In the present study, public, unclassified, government-sponsored, ongoing data sources were used where at all feasible. The objective was to ensure the widest possible circulation of the most authoritative open source information which, in turn, would be available for future up-dating. The sole exceptions to the unclassified nature of the data used are those relating to U.S. military deployments abroad, and the dollar value of military service-owned and leased real property.

(U) The data were collected in time-series format in order to allow trend analysis and, where so desired, the computation of cumulative values. For most variables a minimum of twelve years (1961-1972) of annual values were stored. In some cases, information as far back as 1950 and earlier was readily accessible and retained.

(U) While the overall data collection effort was a rather laborious process, the study team was fortunate to acquire, in most cases, exhaustive time-series. Collection of reliable information on U.S. direct private investments proved to be the most difficult task. The most authoritative source, the Department of Commerce, publishes annual figures on a selected geographic basis only. Its Overseas Business Reports displays country-specific book values with principal emphasis on

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Canada, the E.E.C. countries, South America, and Japan. The Western European countries outside the Common Market are not detailed, as is the case for Central America, South and Southeast Asia, Africa (excluding South Africa), and, in particular, the Middle East and Persian Gulf region.

(U) Further investigation including consultation of other sources produced scattered supplemental data. Even so, published data were not available for a number of countries, particularly those in the Middle East.

(U) The absence of country-specific data on the Middle East, it was discovered, stemmed from the fact that rules of confidentiality do not permit the Department of Commerce to publish figures for countries with fewer than four U.S. investors. In view of the significance of the area, the study team "guesstimated" U.S. investment book values on the basis of the estimated investment cost per metric ton of crude oil produced by U.S.-owned corporations. This figure was computed in two steps. First, the available region-wide book value of U.S. oil investments was divided by the total U.S. company-produced metric tonnage of Middle East oil. Second, the resulting dollar-per-tonnage value was multiplied by the individual countries' U.S.-controlled production figures. The underlying assumption was, of course, that investment costs were roughly the same throughout the region.

(U) Other countries, particularly those in Sub-Saharan Africa where explicit data were unavailable, were assigned arbitrary investment values of \$1 million. Those values seemed intuitively acceptable, while meeting simultaneously the operational requirement of maintaining the integrity of the country sample size.

(U) Minor data adjustments were made where territorial units had changed their political identity. Cases in point were the secession of Singapore from Malaysia in 1965 and the joining of Zanzibar and Tanganyika to form Tanzania in 1964.

(U) Countries with a pre-independence history during the time frame under consideration, were identified with "missing values" for the relevant years.

(U) The full sample of countries analyzed, the variables and their 1961-1972 values collected, as well as the sources, are listed in the Appendix.

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5.0 METHODOLOGY AND TECHNIQUES

(U) The operational purpose of the study was basically twofold: first, it was concerned with an explicit, measured definition of the succinct manifestations of the U.S. stake abroad. Section 3.0 postulated four dimensional aspects of U.S. involvement: Commerce, Politics, Defense, and Socio-Cultural Affinity. The initial methodological objectives of the analysis were (1) to empirically investigate the actuality of four unique dimensions and (2) to measure the degree of inter-relationships among the variables as they contributed to the empirically-defined dimensions. Conceptually, it was held desirable to develop a final profile of U.S. involvement abroad based on those indicators that contributed most uniquely to its individual dimensions. With this purpose in mind, the methodology and techniques used were employed heuristically.

(U) The second operational purpose of the analysis was to measure the countries in the sample in terms of the defined dimensions of stake. The study's conceptual interest in this regard was to establish an explicit means of assessing and comparing the ordinal distribution of the country sample on the U.S. involvement profile. Paralleling this objective was the attempt to evaluate the same countries in terms of the cross-national U.S. visibility abroad.

5.1 FACTOR ANALYSIS

(U) Factor analysis constitutes a powerful tool for managing and uncovering the interdependencies that may exist among variables. It gives the researcher the capability to define statistically the structure of inter-correlative relationships, thereby allowing him to test the empirical validity of his concepts, or conversely, to develop new concepts.

(U) The utility of factor analysis as a hypothesis-testing or confirmatory tool derives from its single most distinctive function as a data-reduction technique. It structures the correlation coefficients for a given set of variables into a mathematically related pattern of relationships which then - depending on his conceptual purpose and imagination - allows the investigator to rearrange or

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reduce the data to a smaller set of factors or dimensions that may be interpreted as source variables accounting for the observed interrelations in the data. The resulting mathematically-defined factors allow the construction of dimensional indices to be used as new variables on which to re-define and measure the original data cases.

(U) These particular functions of factor analysis suggested its use as an appropriate and most powerful means to investigate the dimensional characteristics of the U.S. worldwide stake phenomenon, and subsequently to measure the country sample in the data base in terms of the discovered "source variables." Specifically, R-factor analysis was applied to separate different sources of variation in the U.S. involvement data matrix, to thereby establish empirically the interrelationships among the selected stake variables, and finally, to weight or rank the latter in terms of their importance as "predictors" or explanations of the resulting dimensions of the U.S. stake profile.

(U) For conceptual as well as methodological reasons, the technique was applied iteratively in order to arrive at an optimum and parsimonious delineation of the unique dimensions of the U.S. stake phenomenon.

5.2 FIRST ITERATION

(U) Initially, the analysis was performed across forty-four (44) root variables and their derivatives on a sample of ninety-three (93) country cases and their associated 1972 values. Selection of the countries was based on availability of data, and software constraints.

5.2.1 The Unrotated Matrix

(U) As displayed in Table 1-1, use of a default eigenvalue of 1.0 resulted in a matrix of eleven independent (uncorrelated) factors, each delineating a successively decreasing pattern of relationships in the data. As expected, the majority of high loadings ($> |.50|$) were located on the first, or "general" factor, while the remaining factors tended to be bipolar; that is, approximately

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TABLE 1-1. (C) UNROTATED FACTOR RESULTS INCLUDING SOUTH VIETNAM (U)

	1	2	3	4	5	6	7	8	9	10
C-AID/P	0.22920	0.43845	-0.65963	-0.13771	-0.19183	0.16479	-0.25584	0.01965	0.02695	0.17485
ASS/OFF	0.30775	0.84993	-0.02814	0.21992	0.08873	-0.18320	0.01398	0.08938	0.00139	-0.20599
AID/POP	0.16142	0.54276	-0.26424	0.35354	-0.37634	0.31293	-0.04948	0.07763	0.05635	0.05551
AID	0.24775	0.80407	0.01891	0.28163	0.01373	-0.01323	0.06008	0.02865	-0.15807	-0.04637
AID STRG	0.28679	0.84956	0.09417	0.20631	0.13869	-0.04527	0.10401	-0.04862	-0.01699	-0.15131
ALIENS A	0.65456	-0.25586	0.12325	-0.27350	0.15044	0.18420	-0.11046	0.20071	-0.20921	-0.25796
ALL TRFT	0.78923	-0.25311	-0.01205	0.00033	0.11450	0.20051	-0.25911	-0.04897	0.01775	-0.03544
ARMS/POP	0.21373	-0.05210	-0.31138	0.12416	-0.30798	0.05211	-0.03024	-0.22234	-0.24470	-0.15456
RANKS A8	0.51075	-0.12597	0.09340	-0.16107	0.04288	0.53122	0.07231	0.40157	0.08451	-0.06509
C-ARMS/P	0.30282	-0.10836	-0.30872	0.14254	-0.81505	-0.00382	-0.05101	-0.16329	-0.19991	-0.10563
C-SFCU/P	0.23848	0.22820	0.03183	-0.08590	-0.06904	0.01106	-0.64858	0.02146	0.11407	0.29598
CIT ARIV	0.64000	-0.23742	0.04486	-0.29618	0.04022	0.14031	-0.17078	0.30104	-0.22068	-0.25663
CULT MON	0.53428	-0.00717	0.35327	-0.39429	0.03659	0.25246	0.00604	-0.35031	0.07640	0.01691
CULT PEN	0.69185	-0.12292	0.28785	-0.49642	-0.14525	0.03823	0.06481	-0.00817	0.11435	0.04749
CULT/POP	-0.08242	0.09240	-0.56706	-0.31816	0.01373	0.07837	0.06791	-0.31167	0.44089	-0.14534
CUM AID	0.58233	0.37611	0.24121	-0.20504	0.02410	0.15722	-0.27067	-0.00152	-0.01694	0.05173
CUM DEF	0.48019	0.74290	0.11571	0.06157	0.08897	-0.12470	-0.25033	0.04688	0.03067	-0.02514
CUM SALE	0.68552	-0.21891	0.07121	-0.24715	-0.41428	-0.18033	0.31010	0.18777	0.08440	0.12600
DEF ASST	0.32223	0.86859	0.02386	0.22646	0.08822	-0.16880	-0.03891	0.05916	-0.00484	-0.11217
DIP EXCH	0.55352	0.74384	0.03880	0.19443	0.00078	-0.14901	0.00681	0.01016	-0.00634	-0.09943

TABLE 1-1. (C) UNROTATED FACTOR RESULTS INCLUDING SOUTH VIETNAM (U) (Continued)

	1	2	3	4	5	6	7	8	9	10
NON PRNP	0.69647	0.07745	-0.05824	0.07620	0.30919	-0.18900	0.01137	-0.17651	0.01021	0.00792
IMMIGRAT	0.63056	-0.34771	0.00101	0.04605	0.07665	-0.17535	-0.15089	0.14198	0.06363	-0.00744
INVESTMT	0.64774	-0.44218	-0.13833	0.41422	0.18925	-0.22196	0.02779	0.00643	0.14563	0.07234
INVS/POP	0.31418	-0.31535	-0.35838	0.53510	0.12115	0.05710	0.09011	0.24202	0.35014	0.07930
MIL SALE	0.59080	-0.16623	0.04578	-0.24797	-0.54701	-0.14697	0.31787	0.07932	0.02261	0.11843
OTH AGCY	0.46113	-0.22845	0.10770	-0.06359	0.13544	0.05520	-0.11964	-0.20424	-0.07197	-0.26199
PEACE CN	-0.07592	0.09417	0.17384	-0.05987	0.14648	0.28952	0.28797	-0.51439	0.07611	0.10417
PER FXPT	0.27047	-0.14248	-0.22278	0.25566	0.36735	0.41924	0.31084	-0.15313	-0.44128	0.09015
PFR IMPT	0.26077	0.08933	-0.10806	0.47629	0.21998	0.45010	0.20606	-0.08329	-0.39626	0.22895
PROP ALN	0.13858	-0.04915	-0.69606	-0.37238	0.21029	0.10361	-0.02638	0.14041	-0.29640	-0.06451
PROP RNK	0.00994	-0.00728	-0.20222	0.25465	-0.03571	0.59897	0.13782	0.48700	0.31700	0.02746
PROP CIT	0.04966	0.07215	-0.81427	-0.46797	0.20527	-0.11875	0.03525	0.01496	-0.11798	0.05943
PROP CIV	-0.00973	0.31596	-0.41404	0.04501	0.00080	0.34965	0.18739	-0.19932	0.54080	-0.22883
PROP MIL	0.21181	0.30980	-0.69319	-0.46332	0.20522	-0.22015	0.15772	0.03999	-0.02477	0.10930
PROP RFS	0.37346	-0.25571	-0.51882	0.44382	-0.42277	0.03294	-0.05210	-0.19101	-0.05762	-0.10201
PROP/POP	0.03283	0.10601	-0.77919	-0.45315	0.26696	-0.16037	0.07118	-0.01404	-0.06073	0.10206
SECU/POP	0.01871	0.18271	-0.00840	0.03026	-0.10336	0.14186	-0.39748	-0.05363	-0.00104	0.69992
STATF OE	0.78678	0.16218	0.29029	-0.24467	0.00813	0.14134	0.07360	-0.12105	0.02209	0.00623
TOTL MIL	0.62362	0.25693	0.16316	-0.26277	-0.22779	-0.21090	0.40575	0.18086	0.10142	0.17193
UN VOTNG	0.13991	-0.41144	-0.19308	-0.103150	0.07599	0.10382	-0.59019	-0.17975	0.15451	-0.25392
US FXPT	0.69781	-0.41618	-0.10771	0.39621	0.22112	-0.23736	0.01713	-0.09012	0.08047	0.00436
US IMPT	0.68375	-0.41441	-0.08096	0.33694	0.23148	-0.24096	0.00877	-0.09579	0.08402	0.09168
US RESID	0.69648	-0.42461	-0.17004	0.41469	0.10132	-0.18192	-0.01223	-0.09202	0.01521	0.03851
USTA STR	0.56617	0.18788	0.31964	-0.29749	0.03598	0.20187	0.12118	-0.33174	0.07339	0.12185

TABLE 1-1. ²(C) UNROTATED FACTOR RESULTS INCLUDING SOUTH VIETNAM (U) (Continued)

	11	Communalities
C-ATD/P	0.03331	0.86104
ASS/DEF	-0.02413	0.95808
ATD/POP	-0.11358	0.70271
ATD	-0.02756	0.82027
ATD STRG	0.09778	0.92264
ALTENS A	-0.22094	0.85568
ALL TRET	0.11446	0.82461
ARMS/POP	0.12062	0.95497
RANKS AB	0.15308	0.79673
C-ARMS/P	0.08644	0.97125
C-SECJ/P	0.05903	0.64745
CIT ARIV	-0.24991	0.87380
CULT MON	0.14964	0.70211
CULT PFD	-0.03228	0.86626
CULT/POP	-0.34266	0.87911
GUM ATD	0.25164	0.74563
GUM DEF	0.04097	0.89122
GUM SALF	-0.10939	0.95455

TABLE 1-1. ²(c) UNROTATED FACTOR RESULTS INCLUDING SOUTH VIETNAM (Continued)

	11	Communalities
DEF ASST	-0.03773	0.96546
DIP FXCH	-0.03895	0.93279
DOD PRNP	-0.02599	0.66371
IMMIGRAT	-0.12311	0.62193
INVESTMT	0.05077	0.92072
INVS/POP	0.22172	0.87561
MIL SALF	-0.07941	0.89965
OTH AGCY	-0.13077	0.44880
PEACF CO	0.16724	0.54585
PER EXPT	-0.08570	0.85446
PER IMPT	-0.22091	0.88038
PRNP AIN	-0.00628	0.81332
PRNP BNK	0.21278	0.86869
PRNP CIT	0.13483	0.98303
PRNP CIV	-0.33183	0.92542
PRNP MIL	0.10283	0.97621
PRNP RES	0.11303	0.91653
PRNP/POP	0.14760	0.96294
SECU/POP	-0.37282	0.85503
STATE DE	0.05025	0.83263
TOTL MIL	-0.12686	0.90319

24 (c) TABLE 1-1. UNROTATED FACTOR RESULTS INCLUDING SOUTH VIETNAM (U) (Continued)

Communalities

UN VOTNG	-0.00741	0.71303
US FXPT	0.01529	0.95621
US IMPT	-0.01118	0.90363
US RESID	-0.03158	0.92095
USIA STR	0.19416	0.77123

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half of the variables have positive loadings, and the other half negative loadings. The right-most column in Table 1-1 displays the communality of each variable. This figure measures the amount of a variable's total variation that is involved in the eleven patterns. The "uniqueness" of a variable in relation to the other variables is derived by subtracting its communality from 1.00. Thus, a communality of .66 for DOD PROP signifies that, as measured across ninety-three countries, one is able to predict statistically, on the basis of one's knowledge of a nation's values on the eleven patterns, 66% of the value of service-owned and leased real property in a country. Conversely, it can be stated that 34% of the "cause" of DOD PROP is "unique," and unrelated to the other forty-four stake variables.

5.2.2 The Rotated Matrix

(U) While the unrotated factor matrix depicts the most general patterns of relationships, the rotated matrix displayed in Table 1-2, delineates distinct groupings, or "clusters," of interdependencies. First, a few words on the principle of orthogonal rotation may be helpful.

(U) The variable loadings obtained in the original unrotated matrix may analytically be conceived of as points within a vector space spanned by eleven orthogonal axes. The angle between any set of two vectors measures the relationship between two variables for - in the study's case - ninety-three countries. The closer to 90° the angle, the smaller the relationship. Specifically, the cosine of the angle equals the product moment correlation between the two variables represented by the vectors. In addition, the cosine of the angle between a vector and a particular axis is called its loading on the relevant factor.

(U) The initial, unrotated factor solution defined a structure of axes that minimized the angular distance among the maximum number of variables. The first factor in Table 1-2, therefore, represents the "best fit" axis for all forty-four variables, and thus accounts for the bulk of the variation among the data; the second factor represents the next best axis, and so on.

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TABLE 1-2. (C) RESULTS OF ORTHOGONAL ROTATION INCLUDING SOUTH VIETNAM (U)

	1	2	3	4	5	6	7	8	9	10
C-AIO/P	-0.06517	0.33374	-0.59213	-0.01716	-0.36561	-0.01539	-0.02929	0.20698	0.20340	0.41884
ASS/DFE	-0.00554	0.97194	-0.06272	0.04040	0.02206	-0.02368	0.02837	-0.01128	0.06776	-0.04392
AIO/POP	-0.11053	0.52644	0.04170	0.11706	-0.42600	0.18596	0.03868	0.33094	0.24859	0.28562
AIO	-0.09053	0.87079	0.01290	-0.00297	-0.06073	0.20153	0.03211	0.01023	-0.01682	0.04763
AIO STRG	-0.05715	0.92655	0.00279	-0.17214	0.05708	0.08189	-0.01521	0.01456	0.03014	-0.09184
ALIENS A	0.23620	-0.01110	-0.04286	-0.22483	0.04685	0.11273	0.18100	0.02878	-0.06039	-0.03973
ALI TRFT	0.56416	0.03024	-0.05367	-0.43856	-0.14499	0.02635	-0.02346	0.17245	-0.06788	0.13857
ARMS/POP	-0.01254	0.00059	-0.02296	-0.01334	-0.097305	0.00323	0.12425	-0.03444	-0.00015	-0.01935
RANKS AB	0.09461	-0.01162	-0.01326	-0.33277	0.03993	0.09834	0.19056	0.63078	-0.06796	-0.03564
C-ARMS/P	0.09494	-0.01031	-0.01232	0.01466	-0.95770	-0.03535	0.19774	-0.01892	-0.01193	0.03370
C-SFCU/P	0.05443	0.21693	-0.04815	-0.18266	-0.05175	-0.29917	-0.13922	0.03957	-0.12032	0.64692
CIT ARTV	0.19641	-0.00060	-0.09450	-0.11632	-0.03514	0.03865	0.22572	0.05480	-0.07818	0.01619
CUIT NON	0.06967	0.01496	0.05721	-0.82821	0.01925	-0.01338	0.14894	-0.04912	0.01921	0.02736
CULT PFO	0.16273	-0.02579	-0.00702	-0.57810	-0.00536	-0.16432	0.53677	-0.01054	-0.01081	0.06749
CULT/POP	-0.06813	-0.08754	-0.42506	-0.01177	-0.03904	-0.10394	-0.01790	-0.08995	0.81458	0.02621
CUM AIO	0.03925	0.45767	-0.04020	-0.56058	-0.01945	-0.12493	0.04701	0.13080	-0.20954	0.23142
CUM DEF	0.06400	0.86572	-0.03896	-0.20859	0.04893	-0.13966	0.01867	-0.01581	-0.05869	0.22746
CUM SALE	0.31824	-0.04671	-0.02158	-0.18935	-0.22836	-0.11133	0.82481	0.04559	-0.03245	-0.00631
DEF ASST	-0.00402	0.97738	-0.02595	-0.00229	0.03912	-0.00704	0.02859	-0.03261	0.03958	0.06024
DIP EXCH	0.14253	0.92260	-0.01245	-0.13489	-0.07254	0.01531	0.16448	-0.03116	0.04060	0.05587
NON PROP	0.58904	0.35502	-0.16059	-0.20727	0.07783	0.09321	0.09513	-0.15487	0.02665	0.00769
IMMIGRAT	0.61359	-0.02800	0.00273	-0.04346	-0.00960	-0.10006	0.19818	-0.00157	-0.06421	0.10086

TABLE 1-2. (C) RESULTS OF ORTHOGONAL ROTATION INCLUDING SOUTH VIETNAM (U) (Continued)

	1	2	3	4	5	6	7	8	9	10
INVESTMT	0.94112	-0.02948	0.01966	-0.01113	-0.05105	0.05057	0.09294	0.08345	-0.04921	-0.03191
INVS/PROP	0.70781	-0.04693	-0.04396	0.17697	-0.07752	0.03396	-0.04994	0.55017	0.06777	-0.05261
MIL SALE	0.19992	-0.05102	-0.01325	-0.21164	-0.37363	-0.08636	0.79548	-0.00616	-0.02090	-0.00855
OTH AGCY	0.31528	-0.01628	0.07133	-0.28164	-0.04834	0.05660	-0.05237	-0.17541	0.07882	-0.00936
PEACE CO	-0.11097	-0.05769	0.08371	-0.52773	0.09122	0.26383	-0.10336	-0.05851	0.16465	-0.12720
PFR EXPT	0.25763	-0.02949	-0.15766	-0.11365	-0.00712	0.83883	-0.10630	0.08412	-0.01913	-0.11835
PER IMPT	0.19929	0.19532	0.07042	-0.00339	-0.05529	0.86622	-0.06959	0.13059	0.00056	0.13600
PROP ALN	-0.00561	-0.00489	-0.80502	0.09504	-0.07911	0.18214	-0.06638	0.06362	0.03200	-0.02241
PROP ANK	-0.00262	-0.01619	0.02344	0.08928	-0.02597	0.12478	-0.03041	0.90905	0.12380	-0.00770
PROP CIT	0.00305	-0.04763	-0.98386	0.04400	-0.04231	-0.01020	-0.01989	-0.02281	0.08775	-0.01559
PROP CIV	-0.06359	0.20657	-0.11549	-0.00955	-0.04777	0.07389	-0.05409	0.22771	0.89181	-0.03615
PROP MIL	0.03322	0.21819	-0.93334	-0.03710	0.04820	-0.04252	0.10318	-0.03724	0.11505	-0.01157
PROP RES	0.49967	-0.02595	-0.08989	0.09820	-0.77898	0.10932	-0.06576	0.11617	0.10656	-0.01404
PROP/PROP	0.02797	-0.02131	-0.97038	0.02029	0.03987	-0.02140	-0.01415	-0.04059	0.10149	-0.01858
SFCU/PROP	-0.05426	0.02719	0.04560	0.02557	0.02942	0.17163	0.07000	-0.07212	0.04782	0.89428
STATE DE	0.21757	0.31770	0.03046	-0.66193	-0.01199	0.04177	0.34475	0.02457	-0.02375	0.03848
TOTL MIL	0.12759	0.34893	-0.05991	-0.23776	0.01946	-0.05333	0.83062	0.00911	0.00109	0.00362
UN VOTNG	0.29869	-0.28875	-0.04932	-0.08258	-0.17252	-0.26584	-0.47539	-0.02490	0.17119	0.15495
US EXPT	0.95466	0.00371	0.01855	-0.07741	-0.05011	0.10480	0.09485	-0.02237	-0.05451	-0.01218
US IMPT	0.91623	-0.01752	0.01097	-0.09988	-0.00560	0.12118	0.14578	-0.04505	-0.03456	-0.04499
US RESTO	0.90730	-0.00762	0.02152	-0.02856	-0.19429	0.14120	0.09121	-0.01857	-0.02817	0.00515
USIA STR	0.08163	0.20537	0.02049	-0.61026	0.02701	0.05449	0.23002	-0.01472	-0.00746	0.04113

4 (C) TABLE 1-2. RESULTS OF ORTHOGONAL ROTATION INCLUDING SOUTH VIETNAM (U) (Continued)

	11	Communalities
G-AID/P	-0.00785	0.86100
ASS/DEF	0.00913	0.95885
AID/POP	0.08611	0.78268
AID	0.07485	0.82024
AID STRG	0.10708	0.92262
AIFNS A	-0.83284	0.85564
ALL TRFT	-0.48353	0.82458
ARMS/POP	-0.01565	0.96495
RANKS AB	-0.47143	0.79670
G-ARMS/P	-0.05065	0.97122
G-SECU/P	-0.12495	0.64742
CIT ARIV	-0.86583	0.87377
CULT MON	-0.24806	0.78208
CULT PFO	-0.42999	0.86623
CULT/POP	0.03175	0.87909
CUM AID	-0.27737	0.74560
CUM OFF	-0.12216	0.89119
CUM SALE	-0.25827	0.95451
DEF ASST	0.02845	0.96543
DIP EXCH	-0.06799	0.93276
DMO PROP	-0.18389	0.66368

TABLE 1-2. ²(e) RESULTS OF ORTHOGONAL ROTATION INCLUDING SOUTH VIETNAM (U) (Continued)

		Communities
IMMIGRAT	-0.42315	0.62198
INVESTMT	-0.09698	0.92069
INVS/POP	0.13937	0.87558
MIL SALE	-0.17774	0.89961
OTH AGCY	-0.45984	0.44078
PEACE CN	0.32790	0.54582
PER FXPT	-0.11353	0.85443
PFR IMPT	-0.03962	0.88035
PROP ALN	-0.31553	0.81330
PROP BNK	0.03078	0.96866
PROP CIT	-0.00818	0.98301
PROP CIV	0.07814	0.92539
PROP MIL	0.05019	0.97618
PROP RES	0.01747	0.91650
PROP/POP	0.07133	0.96291
SECU/POP	0.08325	0.85580
STATE DE	-0.34894	0.83259
TOTL MIL	-0.10840	0.90315
UN VOTNG	-0.38755	0.71300
US FXPT	-0.11891	0.95618
US IMPT	-0.11197	0.90360
US RFSID	-0.17590	0.92092
USTA STR	-0.082750	0.7712C

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(U) By rotating the axis-structure as a rigid frame around its origin, the analyst seeks to re-align the axes so as to minimize their angular distance with the minimum number of variables. In other words, each axis or factor, is rotated until it defines a distinct cluster of interrelated variables (simple structure solution). By identifying a cluster of vectors (variables) that is distinct from variables outside the cluster — which may be clustered themselves — rotation provides meaning to the variable; the clustered variables are "indicators," so to speak, of a common underlying axis or factor. It implies that the factor can be easily interpreted, since it will have high, functionally-related, correlations among the variables within the cluster.

(U) Table 1-2 displays the final simple structure solution of orthogonal rotation. Eleven distinct clusters of functionally-related data were discerned. Because of their large number, interpretation of the independent clustering as distinct dimensions of the U.S. stake concept proved complex.

5.2.3 Findings

(U) Based on minimum loadings of $|.50|$ (25% of pattern variation), the first factor suggested a distinctly commercial phenomenon. Namely, 86.50% of the total variation among the four variables INVESTMT, U.S. EXPT, U.S. IMPT, and U.S. RESID is explained by the variable loadings on the first pattern. The importance of the four commercial variables as primary determinants of the first factor is revealed in the fact that they account for approximately 58% of the total variance in factor one. The moderately high loading for IMMIGRAT (.61) indicates that U.S. commercial activities tend to be directed primarily to those countries that have provided the majority of U.S. immigrants in the twentieth century. Two explanations suggest themselves. First, the correlation may be spurious considering the fact that the countries that have dominated U.S. immigration patterns historically, i.e., white European, presently constitute the bulk of the industrially and commercially developed world, and for this reason maintain the most intensive trade relationship with the U.S. A second reason may be that the ethnic and cultural assimilation resulting from large-scale immigration, has created a natural

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familiarity and affinity with the emigrant countries. The U.S. businessman is likely to feel more at home with Western European customs, business practices, and legal systems than, say, with their Sub-Saharan counterparts.

(2) The moderately high loadings of ALL TRET and DOD PROP (.56 and .59, respectively) indicate that the conclusion of formal diplomatic agreements tends to be substantially motivated by commercial and trade considerations, and that, furthermore, U.S. military property tends to be concentrated in the commercially important nations. Parenthetically, it may be observed that the variable TOTL MIL shows only the most minute loading (.13) on this factor, thus implying a surprisingly low relationship between the size of U.S. military forces overseas, and the amount of capital investment in real property one would expect to be associated therewith. A possible explanation of this phenomenon is perhaps the capital orientation peculiar to Air Force and Navy facilities, which while highly capital intensive, are relatively low manpower intensive as compared with the Army.

(U) On first sight, the loadings on the second factor appeared anomalous. Initially, the very high loading of DIP EXCH (.92) suggested the political character of this dimension. This explanation was supported by the very high loadings for AID (.87) and AID STRG (.93), both of which had been postulated as indicative of a U.S. political stake abroad. However, the very low loadings of a number of other, presumably political variables, made this explanation questionable. Thus, the presumably significant indicator of political stake, STATE DE, loaded at a low .32, while CULT MON and CULT PEO revealed extremely low loadings of .01 and -.03, respectively. Their practical absence, contrasted with the joint loading of DIP EXCH with the various operationalized aspects of U.S. military and non-military assistance (ASS/DEF, AID/POP, AID, AID STRG, CUMDEF, and DEF ASST), suggested anomalies in the data. Investigation of the original data matrix revealed the critical impact of the South Vietnamese statistics on the factor structure. In particular, it was found that South Vietnam accounted for almost 30% (34 out of 120) of the total number of diplomatic exchanges on record. Since the same country carried extremely high values for the military and non-military assistance variables as well, the second factor tended to be largely driven by South Vietnam.

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(U) In order to avoid and appreciate the distortive effect of the South Vietnamese on the overall factor solution, it was decided to repeat the same procedure excluding South Vietnam.

5.3 SECOND ITERATION

(U) Table 1-3 displays the unrotated factor matrix, and is presented without comment.

5.3.1 The Rotated Matrix

(U) Table 1-4 represents the new rotated factor matrix and will be interpreted next. The first factor stands out for high loadings on those variables that were postulated as evident of political stake: ALL TRET (.65), CULT MON (.77), CULT PEO (.74), CUM AID (.63), STATE DE (.79), and USIA STR (.66). The high loadings for ALIENS A (.77) and CIT ARIV (.71) seem to provide empirical evidence of an interpersonal, culture-bound motivation underlying traditional U.S. international ties.

(U) Surprising was the complex loading of DIP EXCH. Less than 17% of the variation in the frequency of diplomatic consultations is accounted for in the first factor by such "routine" political stake indicators as the size of State Department representation, cultural exchange programs, and overall treaty relationship. Indeed, $83\% - 17\% = 66\%$ of the variable's total variation is explained in a highly complex manner across factors 2 through 11. An intriguing explanation of this phenomenon is that U.S. diplomatic interaction behavior tends to be substantially "ad hoc," i.e., reactive to the particular crisis at hand, rather than guided and structured in terms of well-established political loyalties.

(U) The .52 loading of OTH AGCY appears to refute the postulated commercial nature of federal agencies such as the Department of Justice, Agriculture, and Health, Education, and Welfare. The low communality figure for this variable (.50) indicates its unique position among the various manifestations of official U.S.

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TABLE 1-3. (E) UNROTATED FACTOR RESULTS EXCLUDING SOUTH VIETNAM (U)

	1	2	3	4	5	6	7	8	9	10
NOO PROP	0.67803	0.08921	0.02221	-0.14130	0.20921	-0.10369	0.25317	-0.10614	0.03793	0.30196
IMMIGRAT	0.67540	-0.04705	0.22058	-0.18133	-0.02019	-0.18065	-0.06417	0.06961	0.01043	-0.20640
INVESTMT	0.69198	-0.00003	0.56178	-0.09216	0.19299	-0.04454	0.17248	0.01039	0.12877	-0.16315
INVS/POP	0.33577	0.20311	0.63232	0.09561	0.23002	0.02951	-0.02910	0.20019	0.37934	-0.21435
MIL SAIF	0.63763	-0.00041	-0.10196	0.13130	-0.58122	0.15031	0.24920	0.14527	0.07133	0.03244
OTH AGCY	0.50097	-0.10650	0.03026	-0.15611	0.07465	-0.02027	-0.12747	-0.24389	-0.11354	0.29841
PEACE CN	-0.06250	-0.10404	-0.23091	1.1156	0.32299	0.33441	0.18320	-0.36055	0.14381	-0.06456
PFR EXPT	0.28356	0.16696	0.22014	0.569	0.52721	0.42556	0.02167	0.05608	-0.33150	0.14437
PFR IMPT	0.20514	0.05072	0.24083	0.5423	0.54271	0.36031	-0.00511	0.14917	-0.29716	0.18618
PROP ALN	0.14460	0.73171	-0.03138	-0.29954	0.01573	0.08981	-0.19187	0.09787	-0.29242	0.01802
PROP RNK	0.00246	0.15547	0.18976	0.29475	0.15440	0.31414	-0.43193	0.42277	0.39982	-0.07468
PROP CIT	0.03912	0.90102	-0.14153	-0.32650	-0.01277	0.04072	0.07112	0.01133	-0.14526	-0.10718
PROP CIV	-0.11408	0.41621	0.03871	0.13608	0.04582	0.33044	-0.23296	-0.29841	0.56302	0.22734
PROP MIL	0.12960	0.84180	-0.25487	-0.33734	-0.03591	0.00414	0.21626	0.06935	-0.02610	-0.11283
PROP RFS	0.39478	0.35191	0.56394	0.42852	-0.17042	-0.04654	0.00247	-0.23831	-0.07665	-0.09607
PROP/POP	0.01401	0.87562	-0.15862	-0.35366	0.04266	0.04442	0.14219	0.00550	-0.08520	-0.11202
SFCU/POP	0.03252	0.12616	-0.29590	0.44628	0.24775	-0.41323	0.06569	0.20452	0.07369	0.30567
STATF OE	0.75790	-0.20277	-0.36115	-0.03342	-0.01643	0.23926	-0.06975	-0.12430	0.00117	-0.13662
TOTL MIL	0.57669	-0.06231	-0.32554	-0.02334	-0.35872	0.21389	0.35588	0.29867	0.20377	0.01070
UN VOTNG	0.24658	0.14146	0.21179	-0.13354	0.05124	-0.34011	-0.48948	-0.42921	0.00048	-0.03836
US FXPT	0.74422	-0.01523	0.51149	-0.08960	0.23236	-0.11984	0.22815	-0.04928	0.07613	-0.01904

TABLE 1-3. (e) UNROTATED FACTOR RESULTS EXCLUDING SOUTH VIETNAM (U) (Continued)

	1	2	3	4	5	6	7	8	9	10
C-AID/P	0.12715	0.78131	-0.19982	0.32598	-0.04599	-0.11391	-0.19229	0.01351	0.00787	-0.09753
ASS/DEF	0.04896	0.82977	-0.33180	0.03981	0.23475	-0.08819	0.19714	0.11750	0.04359	0.02639
AID/POP	-0.00874	0.20733	0.07673	0.74743	-0.05564	0.14356	-0.21488	0.09209	0.07624	0.08899
AID	-0.02936	0.00223	-0.15712	0.48612	0.24824	0.23773	0.11573	0.09669	-0.33060	-0.14382
AID STRG	0.00370	-0.14439	-0.3724	0.21638	0.40564	0.42541	0.14473	-0.23262	-0.05871	-0.37405
ALTENS A	0.70469	-0.08379	-0.08774	-0.46517	-0.02509	0.06388	-0.34399	0.12068	-0.22085	0.32632
ALL TRET	0.82395	0.00765	0.05540	-0.02200	0.16597	-0.07314	-0.28408	-0.10407	-0.03238	-0.13196
ARMS/POP	0.22742	0.24657	0.16597	0.59995	-0.53740	-0.00047	0.01727	-0.25403	-0.26770	-0.00081
RANKS AR	0.53215	-0.05307	-0.11440	-0.00044	0.03969	0.32763	-0.47295	0.33383	0.10832	-0.02841
C-ARMS/P	0.32253	0.23449	0.21454	0.57969	-0.56357	-0.04441	0.02947	-0.19706	-0.22636	-0.02025
C-SFCL/P	0.20919	0.05326	-0.30773	0.18077	0.09117	-0.59536	-0.23741	0.00311	0.08733	-0.17340
CIT ARIV	0.67602	-0.00858	-0.07971	-0.2773	-0.13380	0.00067	-0.39264	0.18441	-0.24832	0.13157
CULT MON	0.56466	-0.21838	-0.47421	-0.03997	0.04356	0.19763	-0.07750	-0.30732	0.03251	0.06910
CULT PFO	0.74080	-0.15964	-0.42114	-0.12816	-0.26291	0.09989	-0.03340	0.00054	0.09502	-0.01832
CULT/POP	-0.09178	0.61045	-0.10564	-0.10775	-0.09657	0.12258	-0.06618	-0.37512	0.37757	0.22769
CUM AID	0.53071	-0.11420	-0.52207	0.12123	0.13526	-0.11593	-0.21660	-0.01972	-0.06344	-0.31523
CUM DEF	0.43701	-0.03909	-0.51628	0.15566	0.23864	-0.48847	-0.04675	0.03629	0.06838	-0.09001
CUM SALE	0.72679	-0.03352	-0.06655	0.01109	-0.51243	0.14252	0.22109	0.23307	0.12546	-0.01503
DEF ASST	0.13780	0.05994	-0.46926	0.36499	0.41241	-0.43231	0.24208	0.12804	0.07734	0.12556
DIP EXCH	0.71421	-0.00016	-0.22140	0.29717	0.03582	-0.10147	0.21353	-0.01409	0.04899	0.26250
US IMPT	0.73718	-0.02673	0.46589	-0.12482	0.20997	-0.06599	0.27172	-0.00569	0.09430	0.07219
US RESID	0.72496	0.03027	0.55220	-0.01086	0.15151	-0.09672	0.14859	-0.07751	-0.00208	-0.11983
USIA STR	0.53957	-0.19231	-0.47739	0.02642	0.08012	0.28366	0.04742	-0.25968	0.06607	-0.06945

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TABLE 1-3. (C) UNROTATED FACTOR RESULTS EXCLUDING SOUTH VIETNAM (U) (Continued)

11 12 Communalities

C-AID/P	0.06996	0.11000	0.85162
ASS/DEF	0.04159	-0.04447	0.92280
AID/POP	0.22903	0.22678	0.84316
AID	0.15385	0.39372	0.71141
AID STRG	0.08242	0.00957	0.75908
ALIFNS A	0.04839	-0.04225	0.87860
ALL TRET	-0.05705	-0.02483	0.82926
ARMS/POP	0.00594	-0.20943	0.96919
RANKS AB	0.11042	-0.16566	0.79532
C-ARMS/P	0.01089	-0.14334	0.97268
C-SFCU/P	-0.22103	-0.05813	0.68304
CIT ARIV	-0.15730	0.07243	0.83499
CULT MON	0.25374	0.01626	0.80489
CULT PFO	-0.04473	0.10176	0.86999
CULT/POP	-0.15531	0.26029	0.85956
CUM AID	0.03068	0.01336	0.76551
CUM DEF	-0.15489	-0.19391	0.85821
CUM SALE	-0.11429	0.06845	0.95371
DFE ASST	-0.16872	-0.15690	0.88280
DTP FXCH	0.15806	-0.15641	0.82554
DDO PROP	0.28557	-0.17460	0.86255
IMMIGRAT	-0.21735	0.30144	0.76274

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TABLE 1-3. ²⁴ (C) UNROTATED FACTOR RESULTS EXCLUDING SOUTH VIETNAM (U) (Continued)

11 12 Communalities

INVESTMT	0.00664	0.09438	0.93112
INVS/POP	0.13907	-0.10903	0.87075
MTL SALE	-0.11067	-0.01230	0.89635
OTH AGCY	0.16254	-0.04593	0.49979
PEACE CO	-0.27982	-0.28278	0.66891
PFR EXPT	-0.34492	-0.11644	0.88801
PFR IMPT	-0.21490	0.13050	0.86094
PROP ALN	-0.16313	-0.13408	0.63215
PROP ANK	0.16614	-0.26203	0.89658
PROP CIT	0.08895	-0.02451	0.93812
PROP CIV	-0.28957	0.10785	0.92502
PROP MTL	0.07779	0.00294	0.98394
PROP RES	-0.10135	-0.15094	0.52618
PROP/POP	0.13979	0.00379	0.98053
SECU/POP	0.03132	0.32422	0.78696
STATF DE	-0.04444	0.13877	0.86480
TOTL MIL	-0.16483	0.01477	0.90227
UN VOTNG	0.07309	0.08554	0.69981
US FXPT	0.07552	0.04252	0.96025
US IMPT	0.13503	0.01870	0.93323
US RESID	-0.11584	0.12951	0.95107
USTA STR	0.15963	0.01760	0.74846

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TABLE 1-4. (E) RESULTS OF ORTHOGONAL ROTATION EXCLUDING SOUTH VIETNAM (U)

	1	2	3	4	5	6	7	8	9	10
C-AID/V	0.05453	0.63589	-0.04699	0.36798	-0.05935	-0.27774	-0.07005	0.19418	0.23385	0.08302
ASS/DEF	-0.12350	0.82810	-0.03085	-0.00521	0.07349	-0.35393	0.05377	0.06920	0.14423	-0.07404
AID/POP	-0.06861	-0.00537	-0.08033	0.45165	0.03859	-0.05088	-0.04090	0.38987	0.23800	0.07002
AID	0.01234	-0.00316	-0.08745	0.07195	0.23375	-0.01061	-0.00517	-0.03841	-0.17141	-0.24319
AID STRG	0.15962	-0.01914	-0.08946	-0.10350	0.11765	0.00011	-0.04925	0.02059	-0.08762	-0.78017
AIDENS A	0.77048	0.03488	0.17751	-0.02350	0.23986	0.00649	0.09900	0.06621	-0.10000	0.34821
ALL TRFT	0.64511	0.33950	0.54252	0.14474	0.12129	-0.22508	-0.03321	0.12003	-0.01660	-0.00194
ARMS/POP	0.02443	0.02758	-0.01384	0.97305	-0.00177	0.01327	0.11727	-0.02469	-0.00642	0.02269
RANKS AR	0.59974	0.00487	0.07533	-0.03678	0.14424	0.00949	0.16409	0.60951	-0.06448	0.05627
C-ARMS/P	0.04954	0.01643	0.09572	0.95449	-0.04035	0.00120	0.17761	-0.01551	-0.01200	0.08989
C-SFCU/P	0.16239	0.01594	0.02819	0.08407	-0.15072	-0.74506	-0.10930	0.00231	0.00109	0.08658
CIT ARIV	0.71061	0.08647	0.17618	0.03512	0.23165	-0.05723	0.16080	0.02832	-0.08448	0.30337
CULT MON	0.77084	-0.05533	0.02371	-0.02542	-0.12419	-0.05610	0.11069	-0.06548	0.04019	-0.30893
CULT PFD	0.74401	0.00050	0.13267	0.00474	-0.13457	-0.13022	0.50558	-0.06336	0.03036	-0.02809
CULT/POP	-0.01831	0.44171	-0.06647	0.02834	-0.10085	0.06727	-0.03006	-0.11142	0.79396	0.01623
CUM AID	0.63367	0.03805	0.04182	0.00987	-0.09477	-0.45771	0.05921	0.06405	-0.18436	-0.23614
CUM DEF	0.33999	0.03700	0.06306	-0.01896	-0.05247	-0.83399	0.06560	-0.00846	-0.11841	-0.11104
CUM SALE	0.38654	0.01991	0.30254	0.23176	-0.08532	0.01949	0.79413	0.01803	-0.01334	0.13193
DEF ASST	-0.06819	0.04445	-0.04372	-0.06921	0.14067	-0.85582	0.09835	-0.04930	-0.04220	-0.15940
OIP EXCH	0.40935	0.00138	0.28072	0.25476	0.04250	-0.37981	0.32755	0.02672	-0.03876	-0.06901
OND PRNP	0.35820	0.17840	0.52909	-0.03484	0.06947	-0.15476	0.06443	-0.04419	-0.05958	-0.04033
IMMIGRAT	0.36984	-0.00762	0.64320	-0.01822	0.01849	-0.10973	0.18065	-0.10376	-0.01274	0.21495

TABLE 1-4. (C) RESULTS OF ORTHOGONAL ROTATION EXCLUDING SOUTH VIETNAM (U) (Continued)

INVESTMT	0.12194	-0.01979	0.94555	0.04111	0.06321	0.02106	0.09080	0.05454	-0.04707	0.03642
INVS/POP	-0.17770	0.05920	0.72485	0.06829	0.00537	0.05842	-0.03660	0.55296	0.05416	0.01206
MIL SALE	0.32735	0.01360	0.17811	0.38152	-0.07911	0.01224	0.77189	-0.01892	0.00198	0.08499
OTH AGCY	0.51780	-0.05650	0.25744	0.05442	0.07704	0.03393	-0.11091	-0.11170	0.01960	0.09663
PFAFC CO	0.00785	-0.08504	-0.14231	-0.05649	0.24171	-0.11460	0.02178	-0.04910	0.21540	-0.69004
PFR FXPT	0.09252	0.13649	0.25613	0.00804	0.86502	0.06022	-0.04802	0.07578	0.00635	-0.18481
PER IMPT	0.01856	-0.06374	0.23027	0.02795	0.79877	0.00279	-0.06795	0.12249	0.01988	-0.09975
PROP AIN	0.13938	0.77232	-0.01712	0.09863	0.31318	0.03803	-0.07841	0.05496	0.03585	0.20374
PRNP ANK	-0.05720	-0.00665	0.01012	0.02330	0.09127	0.02940	-0.02871	0.93015	0.11074	0.00406
PRNP CIT	-0.00920	0.98613	0.00384	0.04091	-0.00610	0.06258	-0.03608	-0.03043	0.06068	0.04545
PRNP CIV	-0.07196	0.12961	-0.05684	0.05663	0.09912	0.05840	-0.03791	0.23136	0.90162	-0.11578
PRNP MILA	0.02135	0.96770	0.03050	-0.04372	-0.05845	0.01954	0.17394	-0.04044	0.07824	-0.03308
PRNP RES	-0.08002	0.08167	0.51084	0.77605	0.14095	0.00831	-0.04771	0.10103	0.12021	0.02617
PRNP/POP	-0.04401	0.97989	0.02858	-0.04384	-0.05091	0.06735	-0.02905	-0.04287	0.06740	-0.00804
SFCU/POP	-0.07624	-0.00369	-0.05935	-0.05687	0.03677	-0.61425	0.02373	-0.05238	0.13399	0.21643
STATE DE	0.78567	-0.04602	0.22025	0.00290	0.02376	-0.08815	0.33155	-0.04865	0.01223	-0.25176
TOTL MIL	0.31071	0.05842	0.11203	0.00432	-0.03843	-0.08928	0.88051	0.00922	-0.00323	-0.04897
UN VOTNG	0.33840	0.05360	0.30316	0.17410	-0.18160	-0.07919	-0.54452	-0.05736	0.20891	0.20529
US FXPT	0.17982	-0.02085	0.93316	0.05497	0.09556	-0.00869	0.07277	-0.01404	-0.06388	0.03509
US IMPT	0.19814	-0.01259	0.88184	0.01628	0.08708	0.03952	0.12439	-0.01334	-0.05689	0.03787
US RESID	0.17386	-0.02538	0.91665	0.17855	0.17629	-0.00955	0.08098	0.06176	-0.00708	0.05573
USIA STR	0.66010	-0.02748	0.05294	-0.02941	-0.07472	-0.06929	0.21954	-0.04365	0.02893	-0.45627

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 TABLE 1-4. (C) RESULTS OF ORTHOGONAL ROTATION, EXCLUDING SOUTH VIETNAM (U) (Continued)

	11	12	Communalities
C-AID/P	-0.09785	0.31733	0.85158
ASS/DEF	0.17383	0.16098	0.92275
AID/POP	0.04774	0.63746	0.84311
AID	-0.08304	0.73939	0.71136
AID STRG	-0.06433	0.27799	0.75902
ALIENS A	0.17308	-0.13727	0.87853
ALI TRET	-0.09279	-0.08074	0.82921
ARMS/POP	0.04048	0.06354	0.96915
RANKS AB	-0.03350	-0.02748	0.79527
C-ARMS/P	0.01236	0.03894	0.97264
C-SECII/P	-0.21513	-0.07033	0.68300
CIT ARIV	-0.14482	-0.12569	0.83492
CULT MON	0.26166	0.07582	0.80484
CULT PEN	-0.02529	-0.04132	0.86993
CULT/POP	0.01238	0.00709	0.85952
CUM AID	-0.17063	0.12517	0.76545
CUM DEF	0.02652	-0.08449	0.85816
CUM SALE	-0.03662	-0.03235	0.95364
DEF ASST	0.25148	0.12111	0.88275
OIP EXCH	0.049136	0.11155	0.82549
OCD PRNP	0.61368	-0.06743	0.86249
IMMIGRAT	-0.33070	-0.01736	0.76269
INVESTMT	-0.00487	-0.02887	0.93108

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 TABLE 1-4. (C) RESULTS OF ORTHOGONAL ROTATION EXCLUDING SOUTH VIETNAM (U) (Continued)

	11	12	Communalities
INVS/POP	0.00072	-0.00641	0.87870
MIL SALF	0.02593	-0.03444	0.85629
OTH AGCY	0.32758	-0.10154	0.49975
PFACE CD	0.07328	-0.18895	0.66886
PER EXPT	0.02050	0.00497	0.88796
PER TMPT	0.03674	0.36512	0.86088
PROP ALN	-0.12116	-0.20005	0.83211
PROP RNK	-0.01375	0.07014	0.85655
PROP CIT	-0.01456	-0.04145	0.98809
PROP CIV	-0.03541	-0.02787	0.92497
PROP MIL	0.02897	-0.02026	0.98390
PROP RES	-0.04343	-0.01894	0.92614
PROP/POP	0.03363	-0.01019	0.98050
SECU/POP	0.21072	0.53213	0.78691
STATF DE	-0.08581	0.07284	0.86474
TOTL MIL	0.03678	-0.03310	0.90222
UN VOTNG	-0.11536	-0.13285	0.65976
US EXPT	0.18050	-0.03205	0.96021
US TMPT	0.29149	-0.03687	0.93318
US RESID	-0.05643	-0.01171	0.95102
USTA STR	0.16332	0.10981	0.74840

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presence abroad, but for purposes of the research, this variable has very little explanatory value.

(U) Summarizing, the pattern of variable interrelationships on the first factor appears sufficiently evident to label it the U.S. Political Stake Dimension.

(e) The second factor portrayed a number of very high loadings for variables that were assumed to be indicative of a high degree of U.S. visibility abroad. Specifically, a strong pattern relationship is evident among C-AID/P (.64), ASS/DEF (.83), PROP ALN (.77), PROP CIT (.99), PROP MIL (.97), and PROP/POP (.98). The pattern is confusing, however, because of its meshing of indicators of political (C-AID/P), military (ASS/DEF, PROP MIL, PROP/POP) as well as cultural (PROP ALN, PROP CIT) visibility. In particular, the strong relationship between military and cultural visibility was intriguing. Apparently, concentrations of U.S. defense concerns parallel intensive informal relationships. Reference to the raw data values revealed a situation rather analogous to that of South Vietnam in the previous factor iteration. Namely, Iceland's very low population value, in conjunction with high values for U.S. military presence and service-owned property, tended to control the structure of the second "per capita" factor.

(e) The third factor appeared to be the dimensional equivalent of the first one in the earlier rotated factor solution. Very high loadings are displayed for INVESTMT (.95), U.S. EXPT (.93), U.S. IMPT (.88), and U.S. RES D (.92), while somewhat smaller loadings are again available for ALL TRET, (.54), DOD PROP (.53), IMMIGRAT (.64), INVS/POP (.72), and PROP RES (.51). The latter two loadings suggest that, where the U.S. engages in commercial activities, it tends to do so very "intensively." This factor was labeled the Commercial Stake Dimension. The fourth factor stands out primarily for the statistical interdependence between ARMS/POP (.97) and C-ARMS/P (.95), joined to a somewhat lesser extent by PROP RES (.78). An initial inclusion is that the bulk of country-intensive U.S. arms sales in 1972 concentrated by-and-large on the same countries that have contracted such sales in the past.

(U) The distinct dimensional position of U.S. arms sales behavior is probably reflective of the commercial motivation of the program. As such, it is likely to concentrate on a different set of (wealthier) countries than the presumably

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primarily security-oriented outright military assistance programs. The fourth factor was tentatively labeled U.S. Arms Sales Behavior.

(U) The sole loadings of PER EXPT (.87) and PER IMPT (.80) on the fifth factor led to its labeling as a U.S. Commercial Penetration Dimension.

(U) The sixth factor represents a different aspect of U.S. visibility abroad. On it are discerned high loadings for C-SECU/P (-.75), CUM DEF (-.83), DEF ASST (-.86), and SECU/POP (-.61) — all indicators of the absolute and relative U.S. military stake abroad. Their interdependence provides empirical evidence that the geographic focus of U.S. military assistance has remained quite stable over the years, and that, furthermore, there is a significant positive relationship between the volume of per capita assistance received in the past and the amount of material support per capita today (1972). The sixth factor was provisionally labeled a U.S. Military Visibility Dimension.

^x
(e) The most appropriate descriptive label for factor seven was U.S. Military Stake Dimension, particularly in view of the high loading for TOTL MIL (.88), and to a lesser extent those for CUM SALE (.79) and MIL SALE (.77).

(U) Factors eight through twelve offered a variety of scattered loadings, including the variables BANKS AB, INVS/POP, PROB BNK, CULT/POP, PROP CIV, AID STRG, PEACE CO, DOD PROP, AID POP, AID, and SECU/POP. No particularly meaningful interpretation could be assigned to their respective interrelationships. Consequently, the factors were left unlabeled pending a redesignation of the correlation parameters which was believed necessary to achieve further definition of the U.S. stake model.

5.4 THIRD ITERATION

(U) The results of the second orthogonal factor solution presented a number of operational and analytic difficulties. For one, the number of independent factors (12) was too great for each to be interpreted meaningfully. This was particularly so as a result of the multiple complexity of a number of variables. Also, the

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diffused, and oftentimes low, factorial loadings of a number of stake descriptors indicated their disutility as discrete dimensional indicators of the U.S. stake.

(U) Moreover, as work progressed, it was determined to exclude from the analysis the so-called "sunk cost" variables. These included the cumulative 1949-1972 values for non-military assistance, and the 1950-1972 values for military assistance and military sales. The reason for their exclusion was twofold: operationally, it was felt that the study should deal to the greatest extent feasible, with tangible current U.S. stakes abroad. Concern was with a dispassionate statement of the "here-and-now" of U.S. involvement as this might precipitate a need for protection. Furthermore, it was realized that if one were to indeed take into account "sunk costs," a twenty-five years or so accumulation of current values was probably excessive. Instead, it would probably be preferable to use a system of weighted moving averages across, say, five years to define weighted variable values for 1972.

(U) On the basis of the foregoing criteria, a new input matrix was formulated, using modified parameter values.

(U) First, in order to reduce the number of orthogonal factors, the default eigenvalue was moved up from 1.00 to 1.50. It was calculated that only about 5% of the total variation among the variables would be lost as a result.*

(U) Second, with an eye to eventual cross-national measurement of the country sample in terms of discrete dimensions of U.S. stake, it was thought desirable to enhance the orthogonality of the rotated factors by establishing .55 as the minimum loading to be used for factor scoring. The implicit result of this technical device was elimination of the complex factor loadings from the analysis.

(U) A third input change was the removal of a number of variables. First of all, excluded from the computation were cumulative assistance values, including their per capita derivatives. Also eliminated were BANKS AB, DIP EXCH, OTH

*Dimensional eigenvalues and associated cumulative percentages of total variance for the preceding factor solution were as follows: 9.94 (23%), 5.36 (35%), 4.53 (45%), 3.32 (52%), 3.11 (60%), 2.5 (65%), 2.09 (70%), 1.71 (74%), 1.62 (78%), 1.20 (80%), 1.07 (83%), 1.02 (85%).

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AGCY, PROP BNK, PROP CIV, and UN VTNG. This was felt justified on grounds of either their complex dimensionality, or their low explanatory value as evidenced in the communality figures.

(U) Additional updating was performed on the variables CIT ARIV and ALIENS A. Namely, it was discovered that one of the peculiarities of the main pertinent data source used (U.S. Department of Justice, Immigration and Naturalization Service) was the exclusion of U.S.-Canadian cross-border travel. United Nations tourist data was used to correct this deficiency.

(U) Finally, since the variable DIP EXCH had been removed from consideration, it was held desirable to re-incorporate South Vietnam into the country sample without its attendant distortive impact on the model.

5.4.1 The Unrotated Matrix

(U) The simplifying effect of a higher eigenvalue threshold is evident in the new factor matrix of only six columns. Table 1-5 portrays the unrotated results and is presented without comment. Table 1-6 exhibits the results of orthogonal rotation.

5.4.2 The Rotated Matrix

(U) The impact of the updated Canadian tourist values is immediately apparent in the first factor. Previously high loadings for ALIENS A and CIT on what was labeled a U.S. Political Stake Dimension, are presently highly interdependent with the indicators of commercial involvement. This is intuitively satisfying since one would expect that U.S.-foreign travel is in large part stimulated, if not by business activities, then by the cultural and ethnic ties which are implicit in the .59 loading of the variable IMMIGRAT on the same dimension.

(U) The highly non-public characteristics of the first factor justified its labeling as International Commerce in its most literal sense.

(U) The second factor displays a pattern of various aspects of U.S. involvement abroad through its various external assistance activities. Military as

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 TABLE 1-5. (C) UNROTATED SOLUTION FOR 32 VARIABLES, 1972 (U)

	1	2	3	4	5	6	Communalities
ASS/CEP	0.06176	0.06737	-0.40566	0.00443	-0.00901	-0.17745	0.95230
AIC/POP	0.00209	0.50471	-0.26766	-0.09900	0.46220	0.19981	0.65327
AIC	0.02811	0.00784	-0.39581	-0.11901	0.03526	0.04666	0.82500
AIC STRG	0.03932	0.08131	-0.31856	-0.10258	-0.12346	-0.02241	0.90606
ALIE'S A	0.06373	-0.24572	-0.32295	-0.07307	-0.07771	-0.10626	0.95657
ALL TRET	0.71796	0.10822	0.32568	-0.03776	-0.01562	0.13585	0.66110
ALN /PCP	0.05534	-0.26287	-0.39865	0.01946	-0.06456	-0.05162	0.95888
APMS/POP	0.13729	0.02112	0.02849	0.04849	0.08404	0.26015	0.97190
CIT /PCP	0.03258	-0.25141	-0.39539	0.17259	-0.00010	-0.04758	0.95435
CIT /TIV	0.06028	-0.25458	-0.35554	-0.06984	-0.06928	-0.11162	0.95378
CULT WOI	0.24658	0.31510	0.67469	-0.05556	-0.16543	0.16765	0.67753
CULT WEO	0.35900	0.28647	0.75425	0.09546	0.05236	-0.06700	0.65890
CULT/POP	-0.01940	-0.02207	-0.06230	0.06059	-0.01650	0.12918	0.76576
DEF ASST	0.06651	0.09006	-0.37506	-0.03787	-0.03054	-0.16581	0.95252
DEF PCOP	0.05015	0.35460	0.06672	0.12266	-0.21965	-0.02586	0.61732
EMVIGRAT	0.06825	-0.04435	0.22467	0.00742	0.05515	-0.22244	0.95631
EMVIGRAT	0.02156	-0.18057	-0.08540	-0.05456	-0.02126	-0.14172	0.93260
WIL /POP	0.11069	0.25726	-0.10526	0.00784	-0.09122	0.10512	0.95610
WIL SALE	0.35413	0.15518	0.54701	0.12886	0.50372	-0.07096	0.76424
WIL TRET	0.71405	0.10760	0.21457	0.03139	-0.08222	0.04423	0.60676

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TABLE 1-5. (c) UNROTATED SOLUTION FOR 32 VARIABLES, 1972 (U) (Continued)

	1	2	3	4	5	6	Communalities
PEACE CJ	-0.07645	C.07102	C.12530	-0.15698	-0.22544	0.42678	C.24090
PER EXPY	C.39052	-0.02666	-C.13792	-0.09849	-0.21614	0.74264	0.78019
PER IMPY	C.33402	0.17523	-C.29518	-0.30671	-0.06554	0.65665	0.76622
PER F/PJP	0.05241	C.02020	-C.15264	0.92889	-0.13111	0.18454	C.54056
PER F/PJP	0.55885	-C.15789	-C.24051	0.04816	0.64178	0.24568	C.66554
SECUR/PJP	0.05401	C.87519	-0.39879	-0.04441	-0.00156	-0.16578	0.95531
STATE CE	0.45512	C.56216	0.54756	-0.06016	-0.05171	0.07811	C.82653
TOTL MIL	0.30804	0.56549	C.40704	0.13818	0.14601	-0.16851	C.66084
US EXPY	C.55612	-0.12778	-C.04238	-0.06313	-0.06326	-0.09570	C.55030
US IMPY	0.91640	-C.11506	0.01282	-0.04183	-0.05467	-0.09572	0.87754
US FESIO	0.54505	-C.13545	-C.06434	-0.06327	0.06845	-0.02742	0.52664
USTA STR	0.28028	C.50264	0.56729	-0.05509	-0.16762	0.18356	0.71795

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TABLE 1-6. (2) ROTATED SOLUTION FOR 32 VARIABLES, 1972 (U)

	1	2	3	4	5	6	Communities
	International Commerce	Foreign Assistance	Political- Military Activity	Political- Military Visibility	Visibility of U.S. Residents and Military Hardware	Trade Penetration	
ASS/OEF	0.00470	0.56660	0.05755	0.07468	-0.02265	-0.06848	0.55225
AID/POP	-0.08163	0.59577	-0.08487	-0.03603	0.52019	0.12222	0.65326
AIC	-0.05534	0.85090	0.02547	-0.01585	0.08317	0.14135	0.82499
AID STRG	-0.05503	0.52857	0.13197	0.00135	-0.09382	0.12066	0.50605
ALIENS A	0.97883	-0.00111	-0.07240	-0.03196	0.02413	0.06324	0.56856
ALL TRET	0.52607	-0.04411	0.58080	-0.01490	0.10126	0.18371	0.66109
ALN /POP	0.96053	-0.00211	-0.13724	0.07121	0.05602	0.05185	0.55888
AFNS/POP	-0.00810	-0.02161	0.08227	0.00510	0.92887	-0.03551	0.87190
CIT /POP	0.53700	-0.00211	-0.14219	0.22507	0.04565	0.06574	0.55456
CIT ASIV	0.56780	0.00541	-0.11116	-0.02858	0.02916	0.05557	0.55377

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TABLE 1-6. (E) ROTATED SOLUTION FOR 32 VARIABLES, 1972 (U) (Continued)

	1	2	3	4	5	6	Communalities
CULT WDI	-0.03317	-0.04310	0.75106	-0.05079	-0.11512	0.10267	0.47752
CULT PEO	0.06085	-0.10555	0.50741	0.02306	0.03228	-0.13776	0.45889
CULT/FCP	-0.03175	-0.06200	-0.04678	0.56553	0.05330	-0.06205	0.76576
DEF ASST	0.00066	0.56564	0.08596	0.03609	-0.04147	-0.04363	0.55252
EDC PRCP	0.52417	0.20079	0.44442	0.17320	-0.12927	0.08852	0.61732
IMMIGRAT	0.55417	-0.06558	0.55793	-0.04394	0.05532	-0.17862	0.55630
INVESTMT	0.54765	-0.04540	0.16451	-0.04496	0.04577	-0.00606	0.53259
MIL /PDP	0.02210	0.22160	0.12230	0.94305	-0.00097	-0.02523	0.55609
MIL SALE	0.14165	-0.07889	0.66539	0.02559	0.47480	-0.26250	0.76423
MIL TRET	0.55932	-0.01029	0.52861	0.04931	0.01442	0.10875	0.60675
PEACE CO	-0.15651	-0.04270	0.12851	-0.03572	-0.15570	0.50600	0.34090
PER EXPT	0.30010	-0.02822	0.04249	0.08091	0.02272	0.92044	0.78018
PER IMPT	0.25262	0.25221	-0.03072	-0.11510	0.17665	0.77027	0.76622
POCF/POP	0.04155	-0.01275	-0.05032	0.96715	-0.02042	0.02717	0.54095
RES /FDP	0.51474	-0.03427	-0.06516	0.03945	0.76230	0.05020	0.88993
SECU/FDP	-0.00553	0.97341	0.06156	0.02223	-0.01610	-0.05427	0.55530
STATE CE	0.14325	0.24564	0.85976	-0.04715	0.00455	0.11247	0.52653
TOTL MIL	0.06577	0.33079	0.65757	0.08738	0.10347	-0.23546	0.66083
US EXPT	0.54262	-0.02815	0.23677	-0.04218	0.02239	0.64368	0.55029
US IMPT	0.89214	-0.04745	0.27776	-0.02598	-0.00370	0.02516	0.87754
US RESID	0.51466	-0.03433	0.21294	-0.04555	0.19752	0.66381	0.52883
USIA STR	-0.01710	0.16558	0.75484	-0.02212	-0.05583	0.22055	0.71799
FINAL EIGENVALUES	0.94441	5.26409	5.06222	2.72286	2.15785	1.54830	

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well as non-military aid are structured together with their visibility specifications. To a large degree, this particular pattern cohesion is attributable to what may be called the "Vietnam phenomenon." Namely, the 1972 allocation of U.S. AID and MAP sponsored assistance funds appeared to be highly concentrated among a select number of highly insecure target nations, e.g., South Vietnam, Cambodia, and South Korea. The appropriate description of the second factor is Foreign Assistance.

(U) The third factor combines high loadings for both political and military variables, and, as such, lends a degree of empirical support to Clausewitz's definition of war as a continuation of politics by other means. Evidently, the concept of a discrete U.S. military stake is not as viable as was postulated. Instead, the concept of a combined Political-Military Activity manifestation of the U.S. abroad has more empirical meaning.

The loadings on the fourth factor (CULT/POP: .87, MIL/POP: .94, and PROP/POP: .97) suggest a pattern of high public political-military U.S. visibility abroad and has been labeled accordingly: U.S. Political-Military Visibility Dimension.

(U) As in the previous rotated factor solution, the value of U.S. arms sales per capita (ARMS/POP: .93) shares a unique dimension with the number of U.S. residents per capita (RES/POP: .77). Since no appropriate single descriptor could be found, it was decided to label this factor Visibility of U.S. Residents and Military Hardware.

(U) As in the previous solution, the loadings of PER EXPT (.82) and PER IMPT (.77) combined to form a U.S. Trade Penetration dimension.

5.4.3 Summation

(U) To recapitulate, a six-dimensional model of the various manifestations of U.S. involvement abroad was isolated on the basis of thirty (30) major (loadings \geq |.55|) stake descriptors. The dimensions and their respective component variables included:

(U) Factor One: International Commerce

Variables:	Loadings:
• Dollar Value of U.S. Exports	.94
• Dollar Value of U.S. Imports	.89

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Variables:	Loadings:
• Dollar Value of U.S. Direct Private Investments	.95
• Number of U.S. Residents Abroad	.91
• Number of Foreign Visitors to U.S.	.98
• Number of Foreign Visitors to U.S. as a Percentage of the Originating Country's Total Population	.96
• Number of U.S. Visitors Abroad	.97
• Number of U.S. Visitors Abroad as a Percentage of the Host Country's Total Population	.94
• 1900-1972 Immigration	.59
• Number of Military Treaties in Force	.56

(U) Factor Two: Foreign Assistance

Variables:	Loadings:
• Dollar Value of U.S. Arms Transfers as a Percentage of Recipients Defense Budget	.97
• Dollar Value of U.S. Military Assistance	.97
• Dollar Value of U.S. Military Assistance per Capita	.97
• Number of AID Personnel Abroad	.93
• Dollar Value of AID Deliveries	.89
• Dollar Value of AID Deliveries per Capita	.59

⁴₍₂₎ Factor Three: U.S. Political-Military Activity

Variables:	Loadings:
• Number of People Exchanged	.91
• Size of Diplomatic Representation	.86
• Dollar Value of Cultural and Educational Exchange Programs	.79
• Size of U.S. Military Presence	.69
• Dollar Value of U.S. Military Sales	.67
• Number of Diplomatic Treaties in Force	.58

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(U) Factor Four: U.S. Political - Military Visibility

Variables:	Loadings:
• Military Service-Owned and Leased Real Property Abroad per Capita of Host Country's Population	.97
• U.S. Military Presence per Capita	.94
• Number of People Exchanged per Capita	.87

(U) Factor Five: Visibility of U.S. Residents and Military Hardware

Variables:	Loadings:
• U.S. Arms Sales per Capita	.93
• U.S. Residents per Capita	.77

(U) Factor Six: U.S. Trade Penetration

Variables:	Loadings:
• U.S. Share of Foreign Exports	.82
• U.S. Share of Foreign Imports	.77

5.5 MODEL CONSISTENCY

(U) In order to evaluate the internal consistency of the profile of U.S. worldwide involvement derived from 1972 data, similar computations were performed across the four preceding years 1968, 1969, 1970, and 1971.

(U) Missing data values reduced the 1968 and 1969 sample sizes from 93 to 84 cases, while the 1970 model included 88 country cases. Also, the variable CULT MON was excluded from the additional analyses.

(U) Tables 1-7 through 1-10 display the rotated factor solutions for the years in question.

(U) In general, a comparison of the six solutions evidences a surprising overall model consistency in terms of orthogonal dimensionality and factor

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TABLE 1-7 ²¹₍₂₎ DIMENSIONS OF U.S. INVOLVEMENT, 1968 (U)

	1	2	3	4	5	Communalities
ASS/DEF	-0.01292	0.58838	-0.01980	-0.00206	-0.02906	0.57434
AID/POP	-0.05411	-0.06053	-0.14911	0.57827	0.08821	0.37100
AID	-0.12960	0.00595	0.25803	0.65787	-0.17368	0.54643
AID STRG	-0.04724	0.55918	0.02988	0.13330	-0.06558	0.94582
ALIENS A	0.58158	-0.00259	-0.02763	0.02442	-0.05249	0.56762
ALL TRET	0.40134	0.00097	0.70879	0.18979	0.05922	0.77213
ALM/POP	0.56927	-0.00174	-0.07253	0.04815	0.10677	0.55896
ARMS/POP	0.06924	-0.07435	0.23789	-0.31428	0.02707	0.16642
CIT/POP	0.56849	0.00553	-0.07562	0.02493	0.07928	0.55062
CIT ACTIV	0.57638	0.00112	-0.05885	0.02511	-0.05515	0.58045
CULT PED	-0.00234	-0.04754	0.90496	0.03832	0.01722	0.82298
CULT/POP	-0.03799	-0.04543	-0.01397	0.02444	0.92652	0.86273
DEF ASST	-0.01820	0.53189	0.00893	0.06932	-0.04266	0.67528
DDO POP	0.53014	0.38825	0.34346	-0.02211	0.11139	0.56110
IMMIGRAT	0.53591	-0.04521	0.48994	-0.19867	-0.04122	0.57073
INVESTNT	0.53210	-0.03558	0.25745	-0.03741	-0.04380	0.52997
MIL/POP	-0.00354	0.51453	0.03582	-0.05945	0.34962	0.56446
MIL SALE	0.12089	-0.04930	0.80624	-0.31279	0.01524	0.76589
MIL TRET	0.50300	0.05579	0.62290	0.06110	0.06906	0.65387
PEACE CD	-0.13809	-0.04404	0.15863	0.77255	-0.12515	0.65867
PER EXPT	0.38561	-0.00025	0.05352	0.68309	0.21369	0.66390
PER IMPT	0.37321	0.22975	0.02565	0.70408	0.03706	0.68984
PROF/POP	0.03345	0.06839	-0.02145	-0.03924	0.90101	0.81562
RES/POP	0.71558	-0.08062	-0.03503	0.00123	0.09048	0.52798
SECUR/POP	-0.01881	0.57500	-0.00620	0.02244	-0.02556	0.55240
STATE CE	0.09868	0.42063	0.76540	0.17333	-0.13686	0.81940
TOTL MIL	0.00005	0.53242	0.24124	-0.07516	-0.03095	0.53420
US EXPT	0.50718	0.00418	0.34596	-0.01398	-0.06480	0.54707
US IMPT	0.55499	-0.01200	0.32856	-0.03203	-0.04754	0.51773
US RESID	0.97577	-0.02459	0.35316	-0.00463	-0.06600	0.85667
USIA STR	-0.06633	0.35806	0.67853	0.22283	-0.13960	0.65320
FINAL EIGENVALUES	0.58204	5.55127	4.43505	2.72671	2.00937	

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TABLE 1-8. ²(e) DIMENSIONS OF U.S. INVOLVEMENT, 1969 (U)

	1	2	3	4	5	Communalities
ASS/DEF	-0.01622	C.5E237	-C.04345	-0.00756	-0.00301	0.56727
AIC/POP	-0.C3707	-C.CE114	-0.12138	0.54792	-0.46054	0.52790
AIC	-0.11016	C.CC316	C.11123	0.71334	0.22746	C.5E510
AIC STRG	-0.C47E1	C.5E5C6	-C.C1E95	C.16219	0.0E3C7	C.95265
ALIENS A	C.5E595	-C.00472	-C.01C48	0.01054	0.05402	C.57535
ALL TRET	0.45268	0.02E41	C.74306	C.21966	-0.CE740	0.81455
ALN /POP	C.57E52	-C.0C254	-0.05252	C.01996	-0.06617	0.55910
ARMS/POP	0.042E2	-C.CE578	C.2E465	-0.26802	-0.2279E	0.21098
CIT /POP	C.5E96C	0.CC644	-C.C5E57	-0.00567	-0.0E671	C.547E4
CIT ARIV	C.5E81E	-C.CC2E3	-C.04144	0.00649	0.05E10	C.5E524
CULT PEO	-0.C2E13	C.CCC45	C.5CE35	0.1024E	0.0490E	C.EE886
CULT/POP	-0.063C4	-0.C46E2	C.02504	0.04106	-0.84706	0.E1342
DEF ASST	-0.C1E57	0.5E6E27	-C.03C15	0.04154	0.022E0	0.53720
EOO PRJP	C.48888	C.51C23	C.31175	0.02333	0.00829	0.59714
IMMIGRAT	C.51E16	-0.02155	C.53496	-0.14705	0.04566	C.57769
INVESTMT	C.52481	-0.025C3	C.28C87	-0.02291	0.02926	0.92628
MIL /POP	-0.01C57	C.533C1	C.01202	-0.07596	-0.2616E	C.54501
MIL SALE	0.1C505	-C.03C51	0.E3819	-0.24468	-0.05744	C.77773
MIL TRET	0.475E7	0.CE179	C.64585	0.11572	-0.02580	C.6E554
PEACE CO	-0.124C5	-C.045C5	C.04576	0.8C853	0.15847	C.65873
PER EXPT	C.4119E	C.C7017	C.C1C99	0.59003	-0.21690	C.62334
PEP IMPT	C.3E2E7	C.21548	C.C1E00	0.65232	-0.27001	0.65537
PROF/POP	0.02185	C.1CE61	-0.CC746	-0.11929	-0.65060	0.44946
PES /POP	0.577E6	-C.CE556	0.01185	C.00586	-0.22242	0.57185
SECU/PJP	-0.01098	0.5E150	-0.03277	0.00837	0.0075E	C.5E6457
STATE CE	0.C7377	C.4E553	C.68221	C.28006	0.20927	0.EE276
TOTL MIL	-0.C0488	0.55211	C.171E8	-0.03799	0.02405	0.52814
US EXPT	C.9C753	C.02275	C.34518	-0.00161	0.085E5	C.95135
US IMPT	C.9C275	C.CC7C3	0.2C112	-C.0C069	0.08E92	C.51324
US FESID	C.EE473	-C.C1289	0.36255	0.02886	0.05112	C.8E290
USIA STR	-0.06466	C.45733	C.47136	0.45004	0.280E5	C.75499
FINAL EIGENVALUES	E.EE272	E.40C24	4.14432	2.79680	2.09621	

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TABLE 1-9. ²₍₂₎ DIMENSIONS OF U.S. INVOLVEMENT, 1970 (U)

	1	2	3	4	5	6	Communalities
ASS/DEF	-0.02212	0.44589	-0.02302	-0.01076	-0.02157	0.02052	0.67453
AIC/POP	-0.07582	-0.05503	-0.16732	0.63054	0.04622	0.11081	0.44877
AIC	-0.12600	-0.02400	0.32248	0.57565	-0.10616	-0.38212	0.62054
AIC STRG	-0.06267	0.44759	0.06963	0.16017	-0.06641	-0.10452	0.54844
ALIENS A	0.98388	0.00046	-0.03537	0.04746	-0.04592	-0.01531	0.51386
ALL TRET	0.48247	0.00652	0.65515	0.20214	0.01371	0.14884	0.72052
ALN /FCP	0.56736	0.00075	-0.06770	0.09124	0.12549	-0.00345	0.66757
ARMS/POP	-0.01649	-0.02280	0.04616	0.05799	-0.03059	0.84259	0.71737
CIT /FCP	0.55356	0.00007	-0.06633	0.05385	0.15000	-0.02429	0.55749
CIT ARIV	0.97652	0.00274	-0.06521	0.04672	-0.04454	-0.02000	0.56321
CULT PER	0.01556	-0.04555	0.88314	-0.07470	0.02652	0.02456	0.78931
CULT/FCP	-0.03407	-0.04555	-0.02781	0.01748	0.92549	0.06905	0.66598
DEF ASST	-0.02439	0.47015	0.00291	0.02410	-0.03879	-0.01042	0.54399
EDD PRTP	0.43376	0.53135	0.35091	-0.03412	0.10183	-0.08944	0.65603
IMMIGRAT	0.54579	-0.05119	0.46351	-0.19692	-0.01352	0.13213	0.57614
INVESTAT	0.54053	-0.02864	0.20058	-0.00251	-0.05100	0.06262	0.93218
MIL /POP.	0.00426	0.85463	0.04895	-0.04337	0.48562	-0.01338	0.57460
MIL SALE	0.15401	-0.03201	0.62776	-0.17124	-0.01666	0.61775	0.64404
MIL TRET	0.51740	0.04454	0.55135	0.05620	0.04515	0.07756	0.63097
PEACE CO	-0.14461	-0.05847	0.27008	0.66532	-0.10131	-0.37406	0.65011
PER EXPT	0.35000	-0.01435	0.02223	0.67508	0.11413	0.07879	0.55822
PER. IMPT	0.31776	0.33527	0.05230	0.74870	-0.06924	0.17286	0.81134
PROF/FCP	0.05299	0.06713	-0.02195	-0.01421	0.94462	-0.07628	0.50613
PES /FCP	0.65577	-0.05164	-0.07541	0.15374	0.04135	0.52268	0.80086
SECU/POP	-0.02446	0.58777	-0.00737	0.00591	-0.03564	0.00521	0.57767
STATE CE	0.05311	0.42316	0.80120	0.12168	-0.09628	-0.04055	0.85538
TOTL MIL	0.00216	0.50060	0.27555	-0.05263	-0.01214	0.07135	0.51245
US EXPT	0.88115	0.01846	0.37550	-0.02864	-0.05980	0.04928	0.92459
US IMPT	0.90091	-0.00013	0.30411	-0.02533	-0.04218	0.00666	0.50667
US RESID	0.51754	-0.01579	0.24755	0.03868	-0.06172	0.11327	0.92250
USIA STR	-0.04008	0.40404	0.65657	0.23718	-0.08728	-0.24807	0.77003
FINAL EIGENVALUES	8.52870	6.10253	4.00875	2.48131	2.14018	1.86430	

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TABLE 1-10. (2) DIMENSIONS OF U.S. INVOLVEMENT, 1971 (U)

	1	2	3	4	5	6	Communalities
ASS/DEF	-0.00171	0.97925	0.00685	0.03253	0.01066	-0.06305	0.96413
AID/PNP	-0.05204	0.85419	-0.09617	0.00418	0.00837	0.19569	0.77998
AID	-0.07039	0.87898	0.14013	-0.04222	-0.09115	0.18998	0.84337
AID STNG	-0.05570	0.94640	0.10103	-0.01494	-0.06943	0.10111	0.92425
AI FNS A	0.98120	0.00084	-0.05681	-0.04150	0.01457	0.08162	0.97459
ALL TRET	0.48992	-0.01147	0.65013	0.01676	0.11051	0.21122	0.71993
AIN /PNP	0.96283	-0.00282	-0.11148	0.11263	0.03037	0.11396	0.96608
ARMS/PNP	-0.03883	-0.01618	-0.02083	-0.02698	0.94585	0.02894	0.89840
CIT /PNP	0.94869	-0.00025	-0.11538	0.18973	0.02500	0.08403	0.95701
CIT ARTV	0.97295	0.00508	-0.08920	-0.04035	0.01463	0.07744	0.96245
CINT PFD	0.03002	-0.06425	0.89460	0.01054	0.01045	-0.03599	0.80686
CINT/PNP	-0.03868	-0.08694	-0.03847	0.89561	0.00179	0.01599	0.81291
DEF ASST	-0.00670	0.97813	0.03387	0.02484	-0.00941	-0.03181	0.95964
DDO PNP	0.47435	0.49804	0.35970	0.14004	-0.06064	0.01296	0.62587
IMMIGRAT	0.57427	-0.07740	0.46621	-0.02930	0.07533	-0.16281	0.58617
INVESTMT	0.93962	-0.04136	0.20131	-0.04335	0.04901	0.01957	0.92970
MII /PNP	0.02541	0.62097	0.09276	0.75284	0.01328	-0.06597	0.96615
MII SALE	0.08788	-0.03374	0.54525	0.00899	0.73477	-0.18340	0.87977
MIL TRFT	0.52951	0.00108	0.58611	0.06119	0.00671	0.11167	0.64016
PFACE CN	-0.18009	-0.00834	0.16430	-0.09919	-0.23347	0.60946	0.45528
PFR FXPT	0.30788	0.00424	0.06109	0.16288	0.06793	0.79665	0.76433
PFR IMPT	0.30880	0.19305	0.01173	-0.05800	0.19652	0.77966	0.78262
PROP/PNP	0.04688	0.01409	-0.03646	0.95683	-0.02491	0.01166	0.92000
RFS /PNP	0.53355	-0.04394	-0.10146	0.00376	0.75186	0.13842	0.88137
SFCU/PNP	-0.00856	0.97487	0.01595	0.01918	0.00863	-0.04970	0.95361
STATE DE	0.10633	0.35106	0.83761	-0.06953	0.04167	0.10761	0.85429
TOTL MIL	0.03545	0.74023	0.46177	0.06533	0.12044	-0.18022	0.81368
US FXPT	0.92358	-0.00874	0.29343	-0.04884	0.08134	0.03210	0.94920
US IMPT	0.89515	-0.02205	0.27633	-0.03104	0.03433	0.02362	0.88083
US RFSIO	0.88916	-0.03751	0.26983	-0.05587	0.19767	0.08843	0.91484
USIA STR	-0.05427	0.37527	0.70911	-0.06897	-0.06689	0.20587	0.69823
Final Eigenvalues	8.68752	6.77199	4.03446	2.42786	2.20541	1.57837	

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loadings. Specific annual discrepancies occurred in two broad areas: 1) the 1968 and 1969 factor solutions produced five instead of six independent patterns, and 2) a few variable loadings "drifted" among dimensions.

(U) The addition of a sixth, per capita arms sales factor in 1970, is reflective of the growing importance of U.S. commercial arms transfers as a "unique" manifestation of U.S. international activities.

(U) The growing annual interrelationship between ARMS/POP and RES/POP from 1970 on, occurred at the expense of the latter's contribution to the first (commercial) dimension during the earlier years. A partial explanation of this phenomenon is the impact of expanding U.S. arms sales on the relatively small Israeli population, associated with a disproportionately large community of U.S. residents there.

(U) A significant shift in variable loadings took place between 1970 and 1971 on the Trade Penetration dimension. The rotated matrices for 1968 through 1970 display a high degree of interdependence among AID/POP, AID, PEACE CO, PER EXPT, and PER IMPT. Starting in 1970, however, AID/POP and AID load extremely high on the Foreign Assistance dimension. The explanation for this shift is twofold: in part, it is to be found in the absence of AID data for South Vietnam and Cambodia prior to 1971. These countries' unusually high absolute and per capita values on this variable for 1971 and 1972, in combination with their extreme values for military assistance, contributed to an alignment of the various assistance indicators.

(U) A second contributory factor was an apparent geographic re-orientation that took place in the AID program in general. Namely, prior to 1971, the Latin American countries were among the principal recipients of AID non-military assistance, be it in terms of absolute program value or dollars per head of population. Since the U.S. is by far the most important trading partner to most South and Central American countries, a linear relationship appeared to exist among the variables PER EXPT, PER IMPT, AID, and AID/POP. This relationship disappeared in 1971 as U.S.-Latin American aid programs declined.

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^u
(e) A third and final important pattern modification took place with respect to the variables MIL/POP and TOTL MIL. Initial interdependencies of the military assistance variables to ASS/DEF, AID STRG, DEF ASST, and SECU POP, diminished in 1971, and realigned in 1972 with the indicators of political stake to form a Political-Military dimension in 1972. Obviously, U.S. troop withdrawal from South Vietnam is the most succinct explanation of this occurrence.

(U) Evidently, time-series analysis provided highly useful insights into the methodological and operational implications of the model. Methodologically, it became apparent that statistical "outliers" (e.g., South Vietnam, Israel) can have a critical influence on the structure of the dimensions. Caution should therefore be exercised when making a generalized statement about the cross-national validity of some of the patterns.

(U) From a policy perspective, the overall stability of the dimensional characteristics of the U.S. stake, in conjunction with the particular changes that did occur, suggest that major pattern change takes place only if and when "convention-breaking" policy decisions are made. U.S. troop withdrawal from South Vietnam and geographic re-direction of AID funding were two such actions that had an immediate impact on what otherwise appears to be a generally self-perpetuating involvement "momentum."

6.0 FACTOR SCORING

(U) The immediate follow-on purpose of the identified dimensional structure was its use as an explicit basis for evaluating or "scoring" the sample of countries so as to derive their relative rank-ordering on a U.S. stake "distribution."

(U) Assuming that the selected indicators of stake constitute a representative sample from the universe of such U.S. interest indicators, a cross-national rank-ordering may be interpreted as an indicator of the relative importance of the countries to the U.S.

(U) The 93 countries in the 1972 sample were scored on each of the model's six independent dimensions using the factoring scoring procedure discussed

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by John P. Van de Geer*. The relevant factor scoring matrix equation is:

$$Y = XG,$$

where Y is the factor score matrix, X the standardized values of the cases on each variable, and G the transformation matrix. The matrices are, in turn, defined as follows:

- (a) F is a matrix of eigenvectors, each normalized to their eigenvalue, i.e., $FF^1 = \lambda$, where λ is a diagonal matrix of eigenvalues, and,
- (b) the matrix $G = F\lambda^{-1}$, where the column vectors of G are obtained by dividing each column of F by its corresponding eigenvalue.

(U) Table 1-11 displays the resulting matrix of 1972 factor scores for each country by dimension. Factor score matrices for the preceding years are located in the Appendix, and may be consulted to compare annual country rankings.

6.1 1972 SCORING RESULTS

(U) On the whole, the matrix of dimensional country scores contained few major surprises. Most countries are located where intuition would "expect" to find them.

(U) Particularly outstanding is Canada's score on the international commerce dimension. With an outlying value of 8.04, Canada has the statistical attributes of a virtual geographic "extension" of the U.S. proper. The statistical impact of the extreme Canadian value is evident in the highly left-skewed distribution of the other country scores. An attendant result is the relative lack of dispersion around the mean which explains the lack of differentiation among the scores, particularly throughout the second half of the sample.

*John P. Van de Geer, Introduction to Multi-Variate Analysis for the Social Sciences (San Francisco: W. H. Freeman and Co., 1971), pp. 128-155.

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TABLE 1-11

4
(e) 1972 FACTOR SCORES FOR 93 COUNTRIES ON
SIX DIMENSIONS OF THE U.S. STAKE* (U)

	International Commerce	Foreign Assistance	Political- Military Activity	Political- Military Visibility	Visibility of U.S. Residents & Military Hardware	Trade Penetration
Canada	8.04	-0.23	0.22	-0.13	1.85	2.19
United Kingdom	1.26	-0.23	1.30	-0.10	0.03	-0.34
West Germany	1.04	-0.23	5.12	0.63	0.44	-0.48
Japan	0.98	-0.23	1.97	-0.14	-0.17	0.43
Italy	0.79	-0.23	1.48	-0.11	0.03	-0.45
Mexico	0.65	-0.21	0.78	-0.21	0.04	2.42
France	0.33	-0.23	1.31	-0.14	-0.17	-0.59
Philippines	0.21	0.10	1.28	-0.08	-0.17	0.81
Australia	0.19	-0.23	0.35	-0.06	0.40	-0.17
Iceland	0.18	-0.16	-0.49	8.73	0.11	0.00
Netherlands	0.17	-0.23	-0.12	-0.14	-0.10	-0.52
Belgium	0.12	-0.23	-0.08	-0.09	0.10	-0.54
Spain	0.12	-0.13	0.41	-0.08	-1.04	-0.15
Brazil	0.10	0.00	1.26	-0.20	-0.21	0.56
Venezuela	0.06	-0.21	-0.04	-0.12	0.00	1.46
Greece	0.05	-0.03	1.03	-0.01	0.53	-0.40
Israel	0.02	0.39	0.33	-0.01	6.44	0.25
Switzerland	0.01	-0.23	-0.53	-0.23	0.35	-0.48
Iran	0.00	-0.20	0.74	-0.20	0.30	-0.21
South Korea	-0.01	0.53	0.46	0.09	-0.23	0.90
Norway	-0.01	-0.23	-0.13	0.06	0.36	-1.57
Panama	-0.02	0.40	-0.40	-0.23	0.27	0.94

*Rounded off at two decimals

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(2) TABLE 1-11 (Cont'd.)
1972 FACTOR SCORES FOR 93 COUNTRIES ON
SIX DIMENSIONS OF THE U.S. STAKE²¹(U)

	International Commerce	Foreign Assistance	Political- Military Activity	Political- Military Visibility	Visibility of U.S. Residents & Military Hardware	Trade Penetration
Austria	-0.02	-0.23	0.18	0.09	-0.06	-0.73
Denmark	-0.03	-0.23	-0.21	-0.08	0.02	-0.52
Ireland	-0.04	-0.23	-0.51	0.03	0.32	-0.50
Turkey	-0.04	0.40	0.45	-0.13	-0.24	-0.19
Dominican Republic	-0.05	-0.08	-0.25	-0.14	0.03	2.02
Colombia	-0.07	0.29	0.20	-0.16	-0.16	1.03
Portugal	-0.07	-0.21	-0.32	-0.13	-0.16	-0.36
Sweden	-0.09	-0.23	-0.28	-0.16	-0.13	-0.57
Argentina	-0.10	-0.19	0.33	-0.17	-0.18	0.07
Taiwan	-0.10	-0.21	0.13	-0.06	-0.22	0.75
Hong Kong	-0.11	-0.23	-0.42	-0.18	-0.04	0.33
Peru	-0.11	0.02	0.13	-0.13	-0.13	0.65
Saudi Arabia	-0.14	-0.23	-0.46	-0.21	-0.01	-0.11
South Africa	-0.14	-0.23	-0.14	-0.19	-0.20	-0.26
Guatemala	-0.15	0.01	-0.33	-0.16	0.09	1.05
New Zealand	-0.16	-0.23	-0.32	0.10	0.16	-0.27
Indonesia	-0.17	0.30	0.16	-0.23	-0.26	0.05
Honduras	-0.17	-0.13	-0.40	-0.11	0.05	1.78
India	-0.17	0.01	2.42	-0.23	-0.26	0.22
Costa Rica	-0.18	-0.17	-0.43	-0.07	0.32	0.88
South Vietnam	-0.18	8.50	1.09	0.76	-0.19	0.39
Chile	-0.18	-0.19	0.18	-0.07	-0.10	0.07
Liberia	-0.18	0.09	0.03	0.10	0.13	-0.41

*Rounded off at two decimals

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(2) TABLE 1-11 (Cont'd.)
1972 FACTOR SCORES FOR 93 COUNTRIES ON
SIX DIMENSIONS OF THE U.S. STAKE*(U)

	International Commerce	Foreign Assistance	Political- Military Activity	Political- Military Visibility	Visibility of U.S. Residents & Military Hardware	Trade Penetration
Pakistan	-0.19	0.17	0.33	-0.23	-0.25	-0.13
Thailand	-0.19	0.37	0.74	0.06	-0.22	-0.24
Haiti	-0.19	-0.20	-0.49	-0.21	-0.15	2.21
Singapore	-0.19	-0.21	-0.49	-0.08	0.54	-0.15
Ecuador	-0.19	-0.11	-0.07	-0.07	-0.14	1.14
Nicaragua	-0.19	-0.14	-0.41	-0.09	-0.03	1.19
Libya	-0.19	-0.22	-0.67	-0.21	0.25	-0.54
Nigeria	-0.20	0.08	0.05	-0.21	-0.25	-0.54
Lebanon	-0.20	-0.23	-0.12	-0.08	0.03	-0.28
Yugoslavia	-0.21	-0.23	0.60	-0.13	-0.23	-0.59
Paraguay	-0.22	-0.11	-0.40	-0.12	-0.21	0.00
El Salvador	-0.22	-0.14	-0.41	-0.15	-0.19	0.64
Malaysia	-0.22	-0.22	-0.23	-0.17	-0.13	-0.31
Uruguay	-0.23	-0.12	-0.22	0.17	-0.16	-0.35
Bolivia	-0.23	0.37	-0.24	-0.12	-0.24	0.45
Finland	-0.23	-0.23	-0.06	0.01	-0.23	-0.71
Ethiopia	-0.23	0.02	-0.25	-0.20	-0.25	0.26
Cambodia	-0.24	0.50	-0.39	-0.15	-0.26	0.50
Zaire	-0.25	-0.19	-0.24	-0.21	-0.21	-0.55
Ghana	-0.25	-0.16	-0.22	-0.17	-0.24	0.16
Kuwait	-0.25	-0.23	-0.69	-0.23	-0.05	-0.42
Bangladesh	-0.25	0.76	-0.50	-0.23	-0.26	1.80
Iraq	-0.25	-0.23	-0.66	-0.23	-0.26	-0.78

*Rounded off at two decimals

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(2) TABLE 1-11 (Cont'd.)
1972 FACTOR SCORES FOR 93 COUNTRIES ON
SIX DIMENSIONS OF THE U.S. STAKE*(U)

	International Commerce	Foreign Assistance	Political- Military Activity	Political- Military Visibility	Visibility of U.S. Residents & Military Hardware	Trade Penetration
Zambia	-0.25	-0.23	-0.31	-0.15	-0.22	-0.73
Kenya	-0.25	-0.16	-0.37	-0.20	-0.21	-0.62
Algeria	-0.26	-0.23	-0.63	-0.22	-0.25	-0.50
Mali	-0.26	-0.23	-0.58	-0.18	-0.26	-0.75
Morocco	-0.26	-0.18	-0.05	-0.17	-0.24	-0.66
Ivory Coast	-0.26	-0.22	-0.47	-0.14	-0.24	-0.39
Sri Lanka	-0.26	-0.23	-0.26	-0.20	-0.26	-0.24
Senegal	-0.26	-0.22	-0.57	-0.17	-0.25	-0.68
Tunisia	-0.26	-0.01	-0.31	-0.10	-0.25	-0.52
Afghanistan	-0.26	0.12	-0.32	-0.21	-0.26	-0.35
Tanzania	-0.27	-0.19	-0.51	-0.21	-0.24	-0.62
Guinea	-0.27	-0.23	-0.66	-0.23	-0.26	-0.35
Dahomey	-0.27	-0.23	-0.60	-0.11	-0.26	-0.56
Jordan	-0.27	0.80	-0.50	-0.17	0.01	-0.32
Niger	-0.27	-0.21	-0.65	-0.21	-0.25	-0.75
Uganda	-0.27	-0.16	-0.50	-0.18	-0.24	-0.37
Cameroon	-0.27	-0.22	-0.51	-0.17	-0.24	-0.24
Cyprus	-0.27	-0.23	-0.17	1.83	-0.09	-0.73
Sierra Leone	-0.27	-0.23	-0.51	-0.06	-0.24	-0.29
Sudan	-0.27	-0.23	-0.61	-0.22	-0.26	-0.47
Syria	-0.27	-0.23	-0.70	-0.23	-0.24	-0.75
Burma	-0.27	-0.22	-0.54	-0.23	-0.26	-0.58
Somali Republic	-0.27	-0.23	-0.66	-0.23	-0.25	-0.71
Congo	-0.27	-0.23	-0.73	-0.23	-0.26	-0.64
Yemen	-0.27	-0.23	-0.79	-0.23	-0.26	-0.57

*Rounded off at two decimals

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(U) A similar phenomenon can be observed on the second, fourth, and fifth dimensions, i.e., the respective indicators of Foreign Assistance, Political-Military Visibility, and Visibility of U.S. Residents and Military Hardware. In each case, extreme values (South Vietnam, Iceland, and Israel, respectively) had the effect of collapsing the bulk of the cases into relatively compact groupings.

(U) The appearance of extreme values has both beneficial and deleterious effects. Operationally, the particular scoring results achieved are useful to the extent that they call particular attention to extreme value cases. For instance, it is doubtful that many people are fully aware of the relative extent of the U.S. military presence in Iceland. The Icelanders presumably are, however, and an appreciation of this is important to U.S. analysts and policymakers if they are concerned about the potentially destabilizing effects of a "saturating" U.S. presence abroad.

(U) The problematic effect of the use of extreme values lies in results from the compression which occurs in the score distribution of the remaining cases in the sample.

7.0 COMPOSITE-SCORING

(U) The next step in the analysis was to compute annual composite-scores for each case across all the dimensions of the U.S. stake. In this way, assuming that the selected stake indicators constitute a reasonable representation of manifested U.S. international involvement, an explicit cross-national overall ranking of countries "of interest" would be obtained.

(U) The conceptual rationale used to develop cross-dimensional composite-scores hinged on the proposition that the percent of total variance accounted for by each of the individual orthogonal dimensions was a reasonable reflection of the "real world" composition of U.S. involvement. For instance, comparison of the first two rotated factors in Table 1-11 (International Commerce and Foreign Assistance) reveals final eigenvalues of 8.84 and 5.28, respectively. The two statistics imply that proportionately more variables are involved in the

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first then the second factor and that furthermore — allowing for the intercorrelations among factors — approximately 88.40% of the total variation in the data can be explained by the first factor alone, as compared with about 52.80% for the second factor alone. Evidently, the first dimension is substantially more comprehensive than the second and, therefore contributes more to an overall index of U.S. involvement.

(U) In the calculation of composite multidimensional scores, the eigenvalue of each dimension was used as its weighting factor. The actual computational procedure went as follows: first, the dimensional factor scores for each case were multiplied by the pertinent final eigenvalues. Second, the summed products of this computation were divided by the sum of the final eigenvalues to produce a weighted average score for each nation case. The resulting composite-scores for 1972 are displayed in Table 1-12. Table 1-13 portrays the results of similar calculations performed for the years 1968-1971, thereby providing a comparative overview of five years of U.S. international activities.

7.1 OVERVIEW OF COMPOSITE-SCORES

(U) Comparison of the five years of composite-scores provides an overall impression of a predominantly stable structure of systemwide U.S. involvement. With a few exceptions, changes in cross-national scores tended to be evolutionary in character rather than revolutionary. A few erratic annual fluctuations did occur and were due largely to the fact that the U.S. stake in the countries tended to be overly "narrow" and was centered on a limited number of stake variables. A prime example is the case of Bangladesh, where the sudden introduction of massive amounts of economic assistance propelled the country from a score of -0.39 in 1971, to 0.06 in 1972. Unless a broader-based U.S. stake were to develop (e.g., through trade or investment) Bangladesh's score will remain extremely sensitive to the whims of the U.S. foreign aid program.

(U) Broadly speaking, three different patterns, or trends, dominated the five-year composite distribution of U.S. stakes. A static trend, with little or

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TABLE 1-12. (E) CROSS-NATIONAL COMPOSITE-SCORES OF THE U.S. STAKE (U)

Canada	3.03519	Dominican R.	0.05695	Nigeria	-0.10789	Zaire	-0.24945
So. Vietnam	1.96972	Peru	0.01649	Denmark	-0.14327	Kenya	-0.27448
W. Germany	1.36826	Indonesia	-0.00582	Ethiopia	-0.14547	Libya	-0.28329
Iceland	0.85696	Taiwan	-0.01936	N Zealand	-0.15813	Zambia	-0.28367
Israel	0.70144	Pakistan	-0.01942	Hong Kong	-0.16189	Sierra L.	-0.28553
Japan	0.67434	Argentina	-0.03226	El Salvador	-0.16427	Ivory Co.	-0.28690
United K.	0.60179	Ecuador	-0.03385	Lebanon	-0.16495	Uganda	-0.28731
Mexico	0.49080	Honduras	-0.03526	Uruguay	-0.16703	Cameroon	-0.28919
Italy	0.46510	Cyprus	-0.04150	Ireland	-0.16799	Tanzania	-0.31589
India	0.38584	Guatemala	-0.04402	Switzerland	-0.17635	Kuwait	-0.32614
Philippines	0.37756	Liberia	-0.04606	Singapore	-0.17795	Dahomey	-0.32849
Brazil	0.28493	Bolivia	-0.04883	So. Africa	-0.17800	Burma	-0.33081
So. Korea	0.25320	Cambodia	-0.05555	Portugal	-0.18342	Senegal	-0.33337
France	0.24598	Belgium	-0.06390	Ghana	-0.18427	Algeria	-0.33828
Greece	0.22446	Jordan	-0.06674	Afghanistan	-0.19708	Sudan	-0.33849
Thailand	0.12641	Haiti	-0.06779	Sweden	-0.20240	Guinea	-0.33871
Colombia	0.11994	Austria	-0.07057	Paraguay	-0.20405	Mali	-0.34324
Turkey	0.10690	Netherlands	-0.07370	Finland	-0.20933	Niger	-0.35807
Australia	0.09922	Chile	-0.07510	Saudi Arabia	-0.21395	Iraq	-0.36481
Iran	0.09289	Yugoslavia	-0.07980	Malaysia	-0.21659	Somalia	-0.36544
Spain	0.07125	Norway	-0.08166	Tunisia	-0.22047	Congo	-0.37552
Venezuela	0.06825	Costa Rica	-0.09380	Morocco	-0.22393	Syria	-0.37575
Panama	0.06553	Nicaragua	-0.09536	Sri Lanka	-0.24646	Yemen	-0.38110
Bangladesh	0.06009						

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TABLE 1-13. ⁴
(C) U.S. COMPOSITE INTEREST SCORES 1968-1972* (U)

	1968	1969	1970	1971	1972
**CAN	3.03	3.03	2.99	3.04	3.04
VTS	2.05	2.07	2.02	2.49	1.97
GMW	1.01	.82	1.10	1.17	1.37
UNK	.78	.83	.62	.58	.60
ICE	.61	.49	.70	.92	.86
KOS	.52	.36	.33	.33	.25
IND	.52	.45	.50	.48	.39
JAP	.45	.39	.55	.47	.67
BRA	.43	.24	.36	.31	.28
PHI	.43	.32	.37	.37	.38
MEX	.33	.33	.34	.46	.49
FRN	.26	.27	.24	.24	.25
ITA	.25	.24	.27	.39	.47
COL	.23	.21	.17	.18	.12
DOM	.20	.14	.08	.15	.06
PAN	.16	.28	.19	.08	.07
VEN	.12	.10	.10	.11	.07
TUR	.10	.09	.07	.04	.11
CHL	.09	-.01	-.03	-.12	-.08
TAI	.09	.09	.10	.10	.13
AUL	.08	.10	.07	.07	.10
LBR	.06	-.01	.02	.01	-.05
PER	.05	.03	-.01	.01	.02
GRC	.05	.06	.11	.20	.22
PAK	.04	.02	.11	-.03	-.02
COS	.03	-.02	.11	-.01	-.10
ISR	.02	.10	.53	.62	.70
IRN	.01	.03	.13	-.01	.09
ECU	.01	.01	.03	.03	-.03
NIC	.01	-.09	.09	.01	-.10
HON	.01	-.05	-.06	.06	-.04
GUA	-.02	-.05	.01	-.01	-.04
NOR	-.04	-.03	.01	-.06	-.08
BOL	-.05	-.05	-.09	-.17	-.05
SPN	-.05	-.01	-.02	-.01	.07
NTH	-.06	-.05	-.06	-.06	-.07
BEL	-.06	-.03	-.03	-.02	-.06
URU	-.08	-.17	-.10	-.12	-.17
ARG	-.10	-.11	-.10	-.12	-.03
CHT	-.11	-.09	-.07	-.05	-.02
SWZ	-.11	-.11	-.07	-.15	-.18
ETH	-.11	-.12	-.15	-.11	-.15
HAI	-.11	-.10	-.10	-.07	-.07
PAR	-.13	-.13	-.15	-.13	-.20
ELS	-.14	-.09	-.09	-.15	-.16

*Rounded off at two decimals

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TABLE 1-13. ²¹ (e) U.S. COMPOSITE INTEREST SCORES 1968-1972*(U)
(Continued)

	1968	1969	1970	1971	1972
CYP	-.14	-.17	-.15	-.11	-.04
DFN	-.15	-.11	-.14	-.15	-.14
IRE	-.16	-.10	-.09	-.17	-.17
LEB	-.17	-.18	-.17	-.18	-.16
SAU	-.17	-.19	-.21	-.23	-.21
LBY	-.17	-.14	-.19	-.28	-.28
HOK	-.19	-.17	-.17	-.15	-.16
POR	-.19	-.20	-.22	-.20	-.18
GHA	-.19	-.20	-.17	-.11	-.18
NEW	-.19	-.17	-.16	-.14	-.16
AUS	-.20	-.17	-.14	-.09	-.07
SWE	-.22	-.19	-.20	-.17	-.20
YUG	-.22	-.19	-.18	-.16	-.08
TUN	-.22	-.19	-.21	-.22	-.22
MOR	-.24	-.23	-.20	-.18	-.22
JOR	-.24	-.24	-.11	-.16	-.07
AFG	-.25	-.23	-.23	-.22	-.20
FIN	-.26	-.20	-.21	-.24	-.21
ZAI	-.26	-.27	-.26	-.20	-.25
SAF	-.28	-.23	-.23	-.25	-.18
SIE	-.28	-.22	-.25	-.24	-.29
SRI	-.30	-.27	-.29	-.28	-.25
SOM	-.31	-.29	-.33	-.36	-.37
KUW	-.32	-.27	-.33	-.32	-.33
GUI	-.32	-.32	-.29	-.31	-.34
TAZ	-.32	-.31	-.32	-.32	-.32
CMR	-.33	-.31	-.30	-.31	-.30
SEN	-.34	-.29	-.32	-.31	-.33
BUR	-.35	-.33	-.33	-.34	-.33
NIR	-.36	-.33	-.34	-.33	-.36
DAH	-.36	-.33	-.34	-.30	-.33
MLI	-.37	-.34	-.35	-.32	-.34
IRQ	-.38	-.34	-.35	-.34	-.36
SUD	-.39	-.36	-.36	-.36	-.34
CAM	-.39	-.33	-.35	-.02	-.06
ALG	-.39	-.35	-.35	-.35	-.34
SYR	-.39	-.35	-.37	-.37	-.38
CON	-.40	-.31	-.35	-.32	-.38
YEM	-.42	-.39	-.40	-.40	-.38

*Rounded off at two decimals

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TABLE 1-14. ²(e) PROJECTED U.S. COMPOSITE INTEREST SCORES 1973-1977*(U)

	1973	1974	1975	1976	1977
**CAN	3.080	3.128	3.189	3.263	3.349
VTS	1.918	1.664	1.330	.916	.422
GMW	1.700	2.092	2.565	3.120	3.757
UNK	.554	.548	.558	.583	.624
ICE	1.060	1.218	1.395	1.590	1.803
KOS	.282	.320	.385	.477	.597
IND	.344	.266	.172	.063	-.062
JAP	.802	.994	1.226	1.498	1.810
BRA	.330	.382	.455	.550	.667
PHI	.454	.544	.661	.805	.977
MEX	.610	.740	.894	1.073	1.276
FRN	.252	.262	.276	.295	.318
ITA	.636	.830	1.063	1.334	1.643
COL	.092	.052	.008	-.041	-.094
DOM	.080	.088	.106	.134	.172
PAN	-.098	-.276	-.494	-.752	-1.050
VEN	.058	.034	.006	-.027	-.064
TUR	.148	.220	.313	.428	.565
CHL	-.060	.000	.090	.210	.360
TAI	.154	.188	.229	.277	.333
AUL	.112	.138	.171	.211	.259
LBR	-.064	-.094	-.127	-.163	-.201
PER	.056	.108	.177	.263	.367
GRC	.302	.380	.467	.562	.665
PAK	-.112	-.214	-.340	-.491	-.666
COS	-.238	-.428	-.665	-.949	-1.281
ISR	.788	.806	.775	.696	.569
IRN	.046	.018	-.021	-.072	-.135
ECU	-.078	-.154	-.250	-.366	-.502
NIC	-.192	-.344	-.536	-.768	-1.040
HON	.012	.038	.071	.111	.159
GUA	-.062	-.102	-.153	-.216	-.291
NOR	-.158	-.254	-.374	-.519	-.688
BOL	-.018	.070	.187	.332	.505
SPN	.118	.192	.280	.383	.500
NTH	-.084	-.102	-.124	-.151	-.182
BEL	-.102	-.166	-.249	-.350	-.469
URU	-.172	-.190	-.209	-.230	-.253
ARG	.032	.130	.252	.399	.570
CHT	.008	.040	.075	.113	.153
SWZ	-.268	-.376	-.510	-.669	-.854
ETH	-.144	-.146	-.147	-.146	-.143
HAI	-.052	-.036	-.019	.000	.021
PAR	-.240	-.304	-.382	-.475	-.582
ELS	-.246	-.346	-.472	-.623	-.800

*Rounded off at three decimals

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TABLE 1-14 (c) PROJECTED U.S. COMPOSITE INTEREST SCORES 1973-1977*(U)
(Continued)

	1973	1974	1975	1976	1977
CYP	.066	.202	.369	.568	.799
DEN	-.164	-.186	-.214	-.247	-.286
IRE	-.270	-.384	-.528	-.702	-.906
LEB	-.146	-.124	-.096	-.063	-.024
SAU	-.198	-.170	-.131	-.080	-.017
LBY	-.370	-.456	-.556	-.671	-.800
HOK	-.164	-.176	-.194	-.217	-.246
POR	-.142	-.090	-.024	.057	.152
GHA	-.182	-.216	-.263	-.323	-.395
NEW	-.172	-.198	-.234	-.280	-.336
AUS	-.032	.002	.036	.070	.104
SWE	-.218	-.252	-.297	-.354	-.423
YUG	-.018	.068	.170	.287	.420
TUN	-.246	-.274	-.309	-.351	-.401
MOR	-.242	-.288	-.350	-.427	-.520
JOR	-.038	.004	.046	.088	.130
AFG	-.188	-.172	-.155	-.136	-.115
FIN	-.246	-.280	-.325	-.382	-.451
ZAI	-.236	-.242	-.252	-.267	-.286
SAF	-.170	-.142	-.111	-.077	-.041
SIE	-.358	-.452	-.572	-.717	-.888
SRI	-.236	-.212	-.184	-.151	-.114
SOM	-.414	-.458	-.509	-.567	-.633
KUW	-.360	-.392	-.431	-.477	-.531
GUI	-.380	-.438	-.512	-.601	-.706
TAZ	-.326	-.332	-.339	-.348	-.359
CMR	-.312	-.326	-.346	-.371	-.402
SEN	-.368	-.418	-.482	-.561	-.654
BUR	-.342	-.354	-.370	-.391	-.416
NIR	-.394	-.444	-.508	-.587	-.680
DAH	-.340	-.366	-.402	-.448	-.504
MLI	-.350	-.372	-.403	-.442	-.489
IRQ	-.392	-.438	-.498	-.573	-.662
SUD	-.342	-.342	-.345	-.351	-.359
CAM	.136	.308	.501	.716	.953
ALG	-.356	-.376	-.405	-.442	-.487
SYR	-.412	-.452	-.503	-.566	-.641
CON	-.458	-.570	-.715	-.893	-1.103
YEM	-.382	-.380	-.379	-.380	-.383

*Rounded off at two decimals

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no movement in either direction, was implicit in the virtually unchanged scores for countries such as Canada, France, Thailand, Australia, and The Netherlands, thereby indicating a highly stable political-economic relationship, uninterrupted by unusual or dramatic international events. A similar high degree of stability on the lower end of the scale is displayed among the bulk of the developing countries.

(U) A different set of countries underwent a steady, but significant expansion of U.S. stakes. A minimum 0.10 growth involved such countries as West Germany, Japan, Iceland, Mexico, Italy, Israel, Jordan, Cambodia, and Spain. The explanation for this phenomenon varies and should be sought in terms of the particular dimensions of stake involved. For instance, the West German, Japanese, and Italian growth patterns were due principally to significant increases in U.S. commercial involvement, while the unusually rapid expansion of the U.S. stake in Israel, Jordan, and Cambodia is reflective of the recent build-up of U.S. political and military support for those countries.

(U) A steady, but significant (minimum 0.10) five-year reduction in the U.S. stake involved a number of Latin American countries, including Brazil, Panama, Chile, Colombia, and Uruguay, as well as the United Kingdom, South Korea, Liberia, and Libya. The absence of an upward trend in Latin American levels of involvement suggests a general diminution of the U.S. impact on the affairs of the region. Japanese and Western European commercial penetration, plus the influx of European arms deliveries in recent years, account in part for this occurrence. The post-1968 decrease of the Chilean stake in particular, is due to U.S. political and economic disengagement at the time of the Allende regime. The reduction of the U.S. stake in India appears similarly indicative of a political re-orientation that is substantially broader in scope than the temporary "tilt" during the 1971 Indo-Pakistani conflict. The downward profile of the United Kingdom on the distribution of U.S. stakes is intriguing to the extent that it provides some empirical support for recent suggestions that the "special relationship" may be in decline.

(U) One overall phenomenon that stood out from the evidence presented thus far, was the steadiness that seemed to underlie the five-year trends in levels of U.S. involvement. Abrupt expansion or contraction of U.S. stakes occurred

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rarely and only in the wake of dramatic, "convention-breaking" policy decisions such as the 1970 invasion of Cambodia. The minimal downward movement of the South Vietnamese score since 1968 is suggestive of the difficulty of rapid disengagement from a large and long standing commitment of involvement.

(U) The predominance of patterned behavior on the part of U.S. stakes over a five-year period indicated that projection of future trends might be a reasonable research objective to pursue.

8.0 FORECASTING U.S. INVOLVEMENT

(U) The development and procurement of major force structures take place within the confines of a five-year, annually-revised programming and budgeting cycle, and, as such, need to be based on the best available estimate of future threats and potential contingencies. In short, planning must take account of the most likely shape of the international environment in which the U.S. will be interacting.

(U) Because of the disastrous consequences of a strategic nuclear conflict or major theater war, future threat assessments have concentrated primarily on the likely development of Soviet (and more recently, Chinese) nuclear and theater capabilities. Consequently, U.S. force structuring and weapons technology have tended to be responsive primarily to the need to offset the threat posed by the Soviet military posture and weapons inventory. The emphasis of net threat assessment on major adversaries' capabilities may have little relevance, however, to potential local conflicts. Geography, the disposition of the particular parties involved, and the particular reason for U.S. intervention, may pose an altogether different set of demands on equipment and logistics.

(U) The ability to adequately define future force and defense resource requirements at the sub-theater level is, in turn, highly sensitive to the reliability of one's estimate and rank-ordering of likely local contingencies.

(U) One useful step toward limiting the uncertainties and ambiguities that surround the sub-theater contingency planning dilemma, is to make explicit certain minimum criteria for ordering potential future contingencies. A principal

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criterion is a reasonable cross-national estimate of the likely short-term magnitude of the U.S. stake abroad.

8.1 TREND EXTRAPOLATION

(U) Forecasting international events, particularly those that are heavily contingent upon deliberate national decisions — as the phenomenon of U.S. international involvement is — has hardly reached the plateau of a mature scientific enterprise. The international system is far removed from the controlled conditions that exists in the experimental laboratory. Outside the laboratory, the best one can do is offer statements of probabilities, whose reliability are, in turn, dependent on one's knowledge of relevant conditions (i.e., the availability of theory), the ability to control relevant variables (even if known), and access to reliable data — all of which must be evaluative in quantitative form.

(U) The data and findings presented in the study do not meet those requirements, and are therefore insufficient to derive a scientific statement of probabilities about the future of U.S. worldwide activity patterns. Though falling short of the rigor of a probability statement, extrapolation from current trends is a useful operation if they stimulate insights about where we want to go, and perhaps even if they compel attention to the future. Two prerequisites for successful extrapolation are: (1) a clear knowledge of the trend (which means that it must have lasted over a period of time), and (2) a persistence of the original conditions for the duration of the prediction. Specifically, projection of U.S. levels of involvement on the basis of the available data is based on the assumption that a five-year (1968-1972) time-series is a sufficient record, and that, furthermore, the stable and evolutionary, rather than revolutionary, patterns of change which are evident in the 1968-1972 data, will persist into the time frame of interest, i.e., 1973-1977.

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8.2 FINDINGS

(U) Based on the available 1968-1972 data, a second-order polynomial regression equation ($y = a + bx + cx^2$) was utilized to estimate five years (1973-1977) of composite-scores for 84 countries in the sample. The resulting values, portrayed in Tables 1-13 and 1-14 are useful to the extent that they constitute a measure of the "systemic momentum" that seems to have prevailed in U.S. international activities in recent years. Obviously, future dramatic policy reversals may totally invalidate the projected distribution and magnitude of U.S. stakes. In any event, the projection should be appreciated mainly as orders of magnitude, rather than detailed specifications of comparative levels of stake. Barring unforeseeable major international events, the final 1977 projections circumscribe the foreseeable trend of U.S. involvement throughout the international system within the next five years.

(U) As mentioned earlier, the U.S. stake abroad is extraordinarily stable across the 1968-1972 time frame, and that stability does not appear to be altered a great deal in the projections. By and large, those nations that had high composite-scores in the past were projected to remain high in the near-term. The absence of radical shifts over the 1968-1972 time period prevents the projection of a drastic alteration of the U.S. interest configuration. At this point, discussion of the results will turn to its more outstanding features, some of which have been emphasized in Table 1-15's ordinal rank-ordering of the top 35 historical and projected countries "of interest."

(U) Analysis of the projections indicates, for instance, that U.S. stakes will continue to be concentrated in the same areas of the world, particularly in Canada, West Germany, Japan, Mexico, Spain, Italy, The Philippines, and Iceland. The validity of the Icelandic projection is contingent mainly on continuation of U.S. base rights and military presence on the island.

(U) Continuation of existing trends indicates decreasing levels of U.S. involvement in large parts of the Latin American region. Exceptions include Mexico, Chile, Peru, Brazil, and Argentina (the largest and most resource-rich countries in the area).

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(U) An expanding U.S. stake is also implied for Saudi Arabia, reaching a 1977 level which approximates that for Iran. Interestingly, this occurrence is paralleled by a downward trend in the level of U.S. involvement with Israel after it reached a peak in 1974.

(U) U.S. disengagement from South Vietnam continues to be a drawn-out process, accelerating however, in 1976 and even more so in 1977. Projection of the 1968-1972 growth pattern of the U.S. Cambodian involvement, on the other hand, resulted in its continuing and rapid inflation to the unusually high level of .953. The limitation of purely mathematical techniques is (presumably) evident here.

(U) Prevailing trends portend a continuing low profile for U.S. involvement in the Sub-Saharan continent, as well as a decreasing emphasis on the smaller Western European nations.

(U) As observed earlier, the results should be interpreted with due regard to the underlying assumptions, and with an awareness of the statistical peculiarities inherent in the use of polynomial regression. With regard to the latter, it should be recalled, for example, that use of a second-order polynomial will tend to emphasize the latest values in the data distribution. All the same, considering the fullness of the data used and the rigor of their application, the results are believed to be sufficiently credible to stimulate a greater awareness of the foreseeable U.S. role in the international system.

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TABLE 1-15. (U) HISTORICAL AND PROJECTED RANK-ORDERING OF THE TOP THIRTY-FIVE COUNTRIES OF U.S. INVOLVEMENT (U)

Rank Order	Actual Competitive Scores										Projected Composite Scores									
	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1973	1974	1975	1976	1977					
1	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada	Canada					
2	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam	So. Vietnam					
3	W. Germany	United Kingdom	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany	W. Germany					
4	United Kingdom	W. Germany	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland	Iceland					
5	Iceland	United Kingdom	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan	Japan					
6	So. Korea	India	Israel	Israel	Israel	Israel	Israel	Israel	Israel	Israel	Israel	Israel	Israel	Israel	Israel					
7	India	Japan	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom	United Kingdom					
8	Japan	So. Korea	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico					
9	Brazil	Mexico	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines	Philippines					
10	Philippines	Panama	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil	Brazil					
11	Mexico	France	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico	Mexico					
12	France	Brazil	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea	So. Korea					
13	Italy	Italy	France	France	France	France	France	France	France	France	France	France	France	France	France					
14	Colombia	Italy	Panama	Panama	Panama	Panama	Panama	Panama	Panama	Panama	Panama	Panama	Panama	Panama	Panama					
15	Dominican Rep.	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia	Colombia					
16	Panama	Dominican Rep.	Iran	Iran	Iran	Iran	Iran	Iran	Iran	Iran	Iran	Iran	Iran	Iran	Iran					
17	Venezuela	Venezuela	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica	Costa Rica					
18	Turkey	Israel	Greece	Greece	Greece	Greece	Greece	Greece	Greece	Greece	Greece	Greece	Greece	Greece	Greece					
19	Chile	Australia	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan	Pakistan					
20	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand					
21	Australia	Turkey	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand	Thailand					
22	Liberia	Greece	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela	Venezuela					
23	Peru	Peru	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.	Dominican Rep.					
24	Greece	Iran	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey	Turkey					
25	Pakistan	Pakistan	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia	Australia					
26	Costa Rica	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador	Ecuador					
27	Israel	Costa Rica	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile					
28	Iran	Spain	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala	Guatemala					
29	Ecuador	Chile	Norway	Norway	Norway	Norway	Norway	Norway	Norway	Norway	Norway	Norway	Norway	Norway	Norway					
30	Nicaragua	Liberia	Peru	Peru	Peru	Peru	Peru	Peru	Peru	Peru	Peru	Peru	Peru	Peru	Peru					
31	Honduras	Belgium	Spain	Spain	Spain	Spain	Spain	Spain	Spain	Spain	Spain	Spain	Spain	Spain	Spain					
32	Guatemala	Norway	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile					
33	Norway	Netherlands	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium	Belgium					
34	Bolivia	Honduras	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands	Netherlands					
35	Spain	Guatemala	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras	Honduras					

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TABLE 1-16

(U) LEGEND TO COUNTRY CODES (U)

AFG	Afghanistan	GUA	Guatemala	PAK	Pakistan
ALG	Algeria	GUI	Guinea	PAN	Panama
ARG	Argentina	HAI	Haiti	PAR	Paraguay
AUL	Australia	HOK	Hong Kong	PER	Peru
AUS	Austria	HON	Honduras	PHI	Philippines
BEL	Belgium	ICE	Iceland	POR	Portugal
BOL	Bolivia	IND	India	SAF	So. Africa
BRA	Brazil	INS	Indonesia	SAU	Saudi Arabia
BUR	Burma	IRE	Ireland	SEN	Senegal
CAM	Cambodia	IRN	Iran	SIE	Sierra Leone
CAN	Canada	IRQ	Iraq	SOM	Somalia
CHL	Chile	ISR	Israel	SPN	Spain
CHT	Taiwan	ITA	Italy	SRI	Sri Lanka
CMR	Cameroon	JAP	Japan	SUD	Sudan
COL	Colombia	JOR	Jordan	SWE	Sweden
CON	Congo	KOS	So. Korea	SWZ	Switzerland
COS	Costa Rica	KUW	Kuwait	SYR	Syria
CYP	Cyprus	LBR	Liberia	TAI	Thailand
DAH	Dahomey	LBY	Libya	TAZ	Tanzania
DEN	Denmark	LEB	Lebanon	TUN	Tunisia
DOM	Dominican Rep.	MEX	Mexico	TUR	Turkey
ECU	Ecuador	MLI	Mali	UNK	United Kingdom
ELS	El Salvador	MOR	Morocco	URU	Uruguay
ETH	Ethiopia	NEW	N. Zealand	VEN	Venezuela
FIN	Finland	NIC	Nicaragua	VTS	So. Vietnam
FRN	France	NIG	Nigeria	YEM	Yemen
GHA	Ghana	NIR	Niger	YUG	Yugoslavia
GMW	W. Germany	NOR	Norway	ZAI	Zaire
GRC	Greece	NTH	Netherlands		

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SECTION 2

CROSS-NATIONAL INTERSTATE THREAT ASSESSMENT

1.0 INTRODUCTION

(U) Analysis and evaluation of potential geographic areas of planning and decisionmaking concern require an exhaustive and explicit appreciation of environmental influences that operate upon the presence of U.S. stakes abroad. Of particular concern to the defense planner are those environmental developments that carry the implication of potential losses to those stakes. Of fundamental importance in this regard is the risk to U.S. stakes implicit in the occurrence of local conflict situations. Local conflicts may result in such losses to U.S. stakes as the destruction or seizure of property, loss of trade, embargoes, losses of American lives, rupture of diplomatic relations, loss of political influence, and so on. The broad U.S. goal of promoting international stability evidences this country's appreciation of this state of affairs.

(U) Local conflicts may be intra-state or interstate. The former is associated with internal instability which may range from minor labor unrest to civil war. Interstate local conflict refers to hostile government-to-government interactions across international boundaries. Characteristically, this form of conflict ranges from verbal denunciations to the violent use of military force. The potential for U.S. losses is inherent across the local conflict continuum.

(U) Defense planning has tended to concentrate substantially on the de-stabilizing effect of local conflicts per se, while giving less explicit consideration to the conditioning impact that the character and magnitude of particular U.S. stakes may have on planning decisions. A number of developments in the past decade, however, have stimulated a careful re-assessment of the conceptual and political framework within which the defense planning process has occurred. Among these developments, the more important ones are:

1. Major changes in the international power configuration, including the transformation of strict U.S.-Soviet bipolarity to multipolarity, plus the breakup of monolithic communism into a "polycentric" system;

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2. The attendant loosening of formal alliances accompanied, in some cases, by a de-emphasis of regional policy approaches in favor of a bilateral focus;
3. A diminution of the former U.S. global role, partly as the result of the growing strength and influence of new power centers, and partly as the result of a deliberate U.S. policy decision;
4. The growth in both scope and intensity of Soviet economic and political-military activities.

(U) The fragmentation and diversification of the international system have of necessity provided the opportunity to re-assess some of the major premises and concepts that have hitherto underpinned the defense planning process. Defense planning has become more complex as a natural consequence of the passing of bi-polarity and its attendant, essentially single-threat, orientation. For one, the splintering of the Sino-Soviet block has enhanced the sovereignty and scope of the independent decisionmaking power of the smaller communist actors. As a result, the decision to go to war has fractionated, and by implication, the likelihood of conflict has increased. Also, the preoccupation of the former colonies with internal consolidation in the 1960's may eventually give way to growing external involvement, including attempts to forcibly settle lingering boundary disputes. These are only a few of the developments which suggest that the frequency of local armed conflicts is not likely to be lower in the next few decades.

(U) Fortunately, the new international complexities have an ameliorating impact on the defense planning process. A gain for "independent" minor communist actor A is no longer necessarily a gain for the Soviet Union, or, for that matter, a "loss" to the U.S. While the Soviet "threat," because of its ability to endanger the most vital of U.S. stakes, i.e., its continued existence as a sovereign power, remains the primary security concern, "independent" minor communist actor A's "threat" to minor actor "B" becomes a primary U.S. concern only to the extent that it endangers a U.S. stake in "B."

(U) Following this line of reasoning, the U.S. approach to the problems of local conflict and regional instability in general becomes more manageable

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to the extent that explicit appreciation of the character and size of the local U.S. stake is given added saliency in the contingency planning process. In short, contingency and force planning could be rationally based upon some measure of threatened loss which might be derived from consideration of various U.S. stakes throughout the world and the local risks to which each is exposed.

(U) While the primary focus of this study is on a comparative evaluation of the worldwide U.S. "stake-distribution," a secondary, but important, objective is an identification and comparative assessment of sub-theater threats as those result from interstate conflict, and to juxtapose these with the identified local U.S. stakes. Linkage of the two sides of the threat-stake equation, on a country-by-country basis, will provide an initial statement of geographic areas of U.S. security concern.

(U) It should be emphasized that local conflict is only one of a number of phenomena which might jeopardize U.S. local interests. Others must be identified and operationalized before a cogent model of interest and risk interaction can be obtained.

2.0 DEFINITION OF CONFLICT

(U) The phenomenon of "conflict" in general has been defined as a "situation of competition in which the parties are aware of the incompatibility of potential future positions and in which each party wishes to occupy a position that is incompatible with the wishes of the other."* "Awareness" and incompatible "wishes" are the critical attributes of Professor Boulding's definition.

(U) One leading theorist of international relations, K. J. Holsti, agrees and has described conflict on the international level as emerging "from a particular combination of parties, incompatible positions over an issue, hostile attitudes, and certain types of diplomatic and military actions."** Of particular importance in this definition are issues and actions. The issue or "issue field" according to Holsti, is the subject of contention between two or more states, and conflict behavior "is likely to result when party A occupies a position that is

* Kenneth E. Boulding, Conflict and Defense — A General Theory. Harper and Row, New York, N. Y., 1962, p.5.

**K. J. Holsti, International Politics — A Framework for Analysis, second edition, Prentice-Hall, Inc., Englewood Cliffs, N. J., 1972, p. 449.

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incompatible with the wishes or interests of party B and perhaps others."* Issues may involve incompatible territorial claims and opposing ideological stands. Conflict-issues are therefore the salient reference points for most interstate conflict behavior. Their identification gives analytic cohesion to what otherwise frequently appear to be random and uninterpretable conflict-actions. Incompatible issues positions, in conjunction perhaps with hostile national predispositions, may lead to conflict-actions where the ultimate form is the use of military force. A variety of threatening acts may precede the use of military force, but not necessarily in a step-by-step escalatory fashion. K. J. Holsti has listed some common forms of conflict actions:

1. protest notes
2. denials and accusations
3. calling ambassadors home for "consultations"
4. withdrawal of ambassador assigned to the country's capital
5. threat of "serious consequences" if certain actions by the opponent do not cease
6. threat of limited or total economic boycott or embargo
7. extensive official denunciation of the opponent; propaganda at home and abroad
8. application of limited or total economic boycott or embargo
9. formal break of diplomatic relations
10. exemplary nonviolent military actions - alerts, cancelling leaves, partial or full mobilization
11. harassment or closing of travel and communication between the antagonists' citizens

*Ibid.

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12. formal blockades
13. exemplary limited use of force; reprisals
14. war - of which there may be a great variety according to the nature of the objectives, level of force, geographic scope, and so forth.*

(U) The importance of analyzing forms of interstate conflict behavior lies in the evidence that international crises are unlikely to occur unless preceded by a history of conflict actions.** In other words, the existence of conflict behavior appears to be a necessary, although not sufficient, condition for the occurrence of a crisis. Analysis of the history and severity of interstate conflict behavior should therefore provide us with a rough measure of the "criticality" of interstate relations.

(U) By assigning appropriate scale values, or "severity measures," to the conflict continuum, the analyst may attempt to systematically evaluate nations in terms of their relative exposure to threat.

3.0 OPERATIONALIZATION OF COMPARATIVE THREAT ASSESSMENT

3.1 CONFLICT-ISSUE ANALYSIS

(U) In attempting to develop a systematic and explicit cross-national measure of interstate conflict, this study has relied heavily upon the issue-conflict action framework proposed by Holsti and others. One hundred and twenty-six interstate conflict-issues were identified and assessed for their "criticality" in terms of a fourteen-year history (1961-1973) of relevant conflict-actions between the primary parties to the issue.***

*Holsti, p. 457. See also Charles A. McClelland's conflict-cooperation classification scheme as developed in the World Event Interaction Survey (WEIS) project.

**Ibid, pp. 450-451.

***The selection of relevant issues relied heavily on the CASA study USMC Projected Tactical Threat Envelopes, 1972-1990(U), Contract No. M00027-72-C-0020. (Secret NOFORN) CASA, Falls Church, Va., 1974.

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(U) Three criteria limited the number of issues selected for study. First, it was decided to study only those issues that had involved the use or threat of military force. Second, the use or threat of force had to have occurred in the 1961-1973 time frame. The latter restriction was arbitrary and largely determined by data availability. Third, since the focus of the study is primarily on the problem of local disturbances, only dyadic conflict issues were considered. Thus, for instance, region-wide issues such as NATO vs Warsaw Pact were eliminated from consideration. To some extent, of course, this required a certain degree of arbitrariness. For instance, many would take issue with this study's operationalization of the Middle East conflict as a series of bilateral conflicts involving Israel, rather than an interdependent regional dispute. Compromise was required, however, in order to develop a country-by-country threat evaluation.

(U) Table 2-1 lists the 126 conflict issues identified for study, the primary parties, and the principal foci of contention.

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
001	Israel - Jordan	Mutual territorial integrity
002	Israel - Saudi Arabia	Political sovereignty and territorial integrity of Israel
003	Israel - Morocco	Territorial integrity of Israel
004	Israel - Libya	Political sovereignty and territorial integrity of Israel
005	Israel - Syria	Mutual territorial integrity and Syrian denial of Israeli political sovereignty
006	Israel - Iraq	Political sovereignty and territorial integrity of Israel
007	Israel - Algeria	Political Sovereignty and territorial integrity of Israel
008	Israel - Lebanon	Lebanese control over Palestinian guerrillas
009	Israel - Egypt	Mutual territorial integrity
010	Saudi Arabia - Oman	Saudi claim on Buraimi oasis
011	Saudi Arabia - Syria	Conflicting ideological postures
012	Saudi Arabia - Iraq	Iraqi territorial claims in Persian Gulf
013	Saudi Arabia - Iran	Conflicting claims on Persian Gulf median line, and opposing regional control aspirations
014	Saudi Arabia - Egypt	Conflicting regional control aspirations
015	Saudi Arabia - South Yemen	South Yemeni sponsorship of peninsular subversion
016	Saudi Arabia - Yemen	Saudi political control aspirations

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
017	Saudi Arabia - United Arab Emirates	Saudi claim on Buraimi oasis
018	Iran - Egypt	Conflicting regional control aspirations
019	Iran - Lebanon	Lebanese harboring of Iranian dissidents
020	Iran - Kuwait	Conflicting territorial claims in Persian Gulf
021	Iran - Iraq	Iraqi claim on Khuzistan province, and conflicting navigation claims on Shatt al-Arab waterway
022	Iran - Bahrain	Iranian claim on Bahrain
023	Iran - United Arab Emirates	Iranian claim on Persian Gulf Islands
024	Kuwait - South Yemen	South Yemeni sponsorship of "NLF for Arab Gulf" subversion
025	Kuwait - Egypt	Egyptian regional control aspirations
026	Kuwait - Iraq	Conflicting territorial claims in Persian Gulf
027	South Yemen - Oman	South Yemeni claims on Kuria Muria islands and Dhofar region
028	South Yemen - Yemen	Conflicting ideological postures
029	Yemen - Egypt	Egyptian regional control aspirations
030	United Arab Emirates - Qatar	Conflicting border claims
031	Qatar - Bahrain	Conflicting border claims
032	Sharjah - Al Quwain	Conflicting claims on Abu Musa island

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
033	Sharjah - Fujairah	Conflicting territorial claims
034	Iraq - Tunisia	Conflicting ideological postures
035	Iraq - Jordan	Conflicting ideological postures
036	Syria - Egypt	Conflicting ideological postures
037	Syria - Morocco	Conflicting ideological postures
038	Syria - Tunisia	Conflicting ideological postures
039	Syria - Jordan	Conflicting ideological postures, and Palestinian guerrilla control
040	Syria - Lebanon	Conflicting ideological postures, and Palestinian guerrilla control
041	Egypt - Libya	Conflicting ideological postures, and regional control aspirations
042	Egypt - Tunisia	Conflicting ideological postures
043	Egypt - Sudan	Egyptian regional control aspirations
044	Egypt - Jordan	Palestinian guerrilla control
045	Libya - Morocco	Conflicting ideological postures
046	Libya - Sudan	Libyan support for Uganda
047	Lebanon - Jordan	Control over Palestinian guerrilla movement
048	Morocco - Algeria	Moroccan claim on Tindouf region
049	Morocco - Tunisia	Conflicting territorial claims on Mauritania
050	Morocco - Spain	Moroccan claim on Spanish Sahara

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
051	Algeria - Tunisia	Conflicting ideological postures
052	Ethiopia - Somalia	Somali claim on Eritrea
053	Ethiopia - Kenya	Conflicting border claims
054	Ethiopia - Sudan	Mutual harboring of dissidents
055	Somalia - Kenya	Somali claim on North Frontier District
056	Kenya - Uganda	Conflicting ideological postures
057	Uganda - Sudan	Uganda harboring of Sudanese dissidents
058	Uganda - Tanzania	Tanzanian support for Uganda exile subversion
059	Tanzania - Malawi	Malawi border claim on Lake Malawi (Nyasa)
060	Malawi - Mozambique	Malawi support for anti-Portuguese insurgency
061	Zambia - Portugal	Zambian support for Angola and Mozambique insurgencies
062	Zambia - South Africa	Zambian support for anti-apartheid movement
063	Zambia - Rhodesia	Zambian support for Rhodesian insurgency
064	Zaire - Congo	Conflicting ideological postures
065	Zaire - Burundi	Zaire harboring of Burundi dissidents
066	Zaire - Rwanda	Zaire harboring of Rwanda dissidents
067	Rwanda - Burundi	Conflicting support for ethnic minorities
068	Niger - Dahomey	Conflicting border claims along Niger River
069	Ghana - Togo	Togo claims on former British Togoland

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
070	Ghana - Upper Volta	Conflicting ideological postures
071	Ghana - Guinea	Conflicting ideological postures
072	Guinea - Ivory Coast	Conflicting ideological postures
073	Portuguese Guinea - Senegal	Senegalese territorial claims and support for anti-Portuguese insurgency
074	Portuguese Guinea - Guinea	Guinease territorial claims and support for anti-Portuguese insurgency
075	Mali - Senegal	Conflicting border claims
076	Mali - Mauritania	Mali claim on Hodh region
077	Senegal - Gambia	Ill-defined border
078	South Africa - Botswana	South African economic control
079	South Africa - Lesotho	South African economic control
080	Morocco - Mauritania	Moroccan border claims
081	India - Pakistan	Status of Kashmir
082	India - China	Conflicting border claims in Ladakh and Bhutan- Sikkim regions
083	Pakistan - Afghanistan	Afghan claim on Baluchistan and Pathan ter- ritories
084	Burma - China	Chinese support for dissident minorities
085	Cambodia - Thailand	Thai claim on Koh Kong Province
086	Cambodia - S. Vietnam	Cambodian claim on Gulf of Siam islands, and conflicting border claims

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
087	Cambodia - N. Vietnam	North Vietnamese support for Cambodian insurgency
088	N. Vietnam - Laos	North Vietnamese support for Laotian insurgency
089	N. Vietnam - S. Vietnam	Vietnamese political and territorial status
090	N. Vietnam - USA	Vietnamese political and territorial status
091	Malaysia - Indonesia	Indonesian claims on Sabah, Sarawak, and North Borneo
092	Malaysia - Philippines	Philippine claim on Sabah
093	China - Soviet Union	Chinese claims on Amur - Ussuri and Sinkiang border regions, and conflicting ideological postures
094	China - Mongolia	Chinese border claims
095	China - Macao	Chinese claim on Macao sovereignty
096	China - Hong Kong	Chinese claim on Hong Kong sovereignty
097	China - Taiwan	Chinese claim on Taiwan as "lost province"
098	China - Japan	Conflicting claims on Senkaku Islands, and Chinese concern with Japanese "resurgent militarism"
099	China - USA	Conflicting regional control aspirations, and U.S. support for Taiwan
100	China - Indonesia	Status of Chinese minority in Indonesia
101	Japan - Soviet Union	Fisheries dispute
102	Japan - Soviet Union	Soviet rejection of U.S. - Japanese military alliance

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
103	Japan - Soviet Union	Japanese claim on Kurile islands
104	Japan - Taiwan	Conflicting claims on Senkaku islands and Japanese recognition of China
105	Japan - South Korea	Conflicting territorial waters claims
106	S. Korea - N. Korea	Conflicting ideological postures and re-unification demands
107	USA - Ecuador	USA fishing rights
108	USA - Peru	USA fishing rights
109	USA - Panama	Canal Zone jurisdiction
110	USA - Cuba	Cuban support for hemispheric subversion
111	Honduras - El Salvador	Economic and population pressures in El Salvador
112	Honduras - Nicaragua	Conflicting border claims
113	Guyana - Surinam	Guyanese border claims
114	Guyana - Venezuela	Conflicting border claims
115	Venezuela - Cuba	Cuban support for Venezuelan subversion
116	Guatemala - British Honduras	Guatemalan territorial claim on British Honduras
117	Argentina - Chile	Conflicting claims over Deception island, Palena area, and Beagle Channel islands
118	Argentina - Uruguay	Conflicting claims over Uruguay River islands
119	Argentina - Paraguay	Paraguayan claim on Parana River navigation rights

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TABLE 2-1. IDENTIFIED CONFLICT ISSUES (U) (Cont'd.)

<u>ISSUE I.D.</u>	<u>PRIMARY PARTIES</u>	<u>FOCUS OF CONTENTION</u>
120	Argentina - United Kingdom	Argentine claim on Falkland Islands
121	Brazil - Paraguay	Conflicting claims over Guaira Falls, Parana River
122	Bolivia - Chile	Use of Lauca River water, and Bolivian access to Pacific Ocean
123	Dominican Republic - Haiti	Mutual support for exiled dissidents
124	United Kingdom - Iceland	United Kingdom fishing rights
125	Turkey - Cyprus	Status of Turkish minority on Cyprus
126	Turkey - Greece	Cyprus status, and conflicting territorial waters claims

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3.2 THE CONFLICT CONTINUUM

(U) Once the pertinent conflict issues had been identified, a two-dimensional accounting matrix was employed to describe them in terms of conflict activities over time. Associated with the conflict continuum a conflict intensity ratio scale was constructed in order to make the initially qualitative conflict description amenable to mathematical manipulation.

(U) Across the columns, 23 categories of conflict-interaction were identified which were believed to be a representative sample of the possible universe of interstate conflict activities. As displayed in Table 2-2, categories ranged from verbal "criticisms" and "accusations" to "war."

(U) Most of the 23 categories are self-explanatory and do not require elaboration. Exceptions are the definitions of "Armed Border Incident," "Military Clash in Crisis Environment," "Sustained Attack" and "War."

(U) These four categories added precision to the concept of armed conflict in terms of the relative severity of interactions. The attempt was made to take into consideration the duration, intensity and political context in which the military confrontation occurred. Admittedly, the categories are imprecise and require judgments on the part of the coders, but a number of criteria were helpful in determining where on the conflict continuum a particular event should be placed.

(U) A border confrontation characterized as "isolated" or lacking apparent central governmental direction, and occurring in the context of a "routine" relationship, was defined as an "Armed Border Incident." An event was identified as a "Military Clash in Crisis Environment" if central direction was apparent, the confrontation involved the use of relatively high fire-power weapons, and it occurred in a "crisis environment." (A crisis as used here involves: 1) prior existence of a conflict relationship, 2) rapid response time, 3) perceived high threat, and 4) wide-spread awareness.*) If the incident lasted over 24 hours, and the objectives were limited, it was considered a "Sustained Attack." If, in addition, mobilization had

*See Charles F. Hermann, "International Crisis as a Situational Variable." James N. Rosenau, ed., International Politics and Foreign Policy, rev. ed. (New York, N.Y.: The Free Press, 1969), pp. 416-417.

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TABLE 2-2. CONFLICT CONTINUUM (U)

- 1) Criticize, accuse, demand, reject
- 2) Arrest and detain opponent's nationals
- 3) Expel opponent's nationals
- 4) Reduce or restrict trade
- 5) Cancel official visit
- 6) Suspend credit
- 7) Anti-foreign demonstration, riot
- 8) Boycott meeting
- 9) Recall ambassador
- 10) Trade ban
- 11) Seize opponent's property
- 12) Expel opponent's ambassador
- 13) Suspend diplomatic relations
- 14) Threat with specific sanctions, not including armed attack
- 15) Armed border incident
- 16) Military maneuver
- 17) Non-specific threat of attack
- 18) Close border
- 19) Break diplomatic relations
- 20) Mobilization/troop movement
- 21) Military clash in crisis environment
- 22) Sustained attack
- 23) War

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taken place, and the bulk of a nation's armed forces participated in the conflict, the category "War" was employed.

(U) The general guidelines, then, involved a special concern for how widespread the conflict activity was, the character and amount of weapons used, the role of the central authority in directing the violence, and the political environment in which it took place.

(U) It is recognized that the process of collapsing the full universe of interstate conflict behavior into 23 categories required a number of arbitrary decisions at the expense of losing possibly important details. For instance, the severity of a suspension of diplomatic relations is unlikely to be a constant, and will be affected by which nation-states do the rupturing. Few would deny that the implications of a suspension between the U.S. and Soviet Union are likely to be much more serious than a similar event between, say, two Latin American countries.

(U) Broad categories such as "Anti-Foreign Demonstration" and "War" implied further compromise. The number of participants in a demonstration, its duration, and perhaps the number of casualties are probably important case-by-case controlling parameters. Rather similar considerations are involved in evaluating the severity of "War."

(U) The defense of the actual procedure followed rests on three principal arguments. First, available resources did not permit explicit consideration of the various, otherwise desirable, parameters mentioned above. Given the objective of the conflict portion of the study (i.e., to develop a general model for comparative interstate threat assessment), it was felt that use of time and resources to collect and incorporate the additional required data, would not be cost-effective. Second, the comparative assessment of interstate threat levels is approached from the perspective of the particular countries involved. In other words, the study is interested in defining the levels of threat that the conflicting countries themselves are exposed to — not their implications to U.S. security. Given this orientation, the failure to make the interaction categories more sensitive to the identity of the particular parties involved, seems acceptable. Namely, there is no empirical

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evidence to believe that a suspension of diplomatic relations between, say, Burundi and Rwanda is not as critical to their particular relationship as a similar event between the U.S. and Soviet Union is to theirs.

Third, earlier mention was made that a crisis is unlikely to occur unless preceded by "lower-level" conflict interactions. The same is the case with the outbreak of "War," which is one way that a crisis may be "resolved." In a sense, therefore, the "seriousness" of a particular "War" is inflated in part by the variety of conflict-interactions that preceded it. No doubt, most observers would agree that the 1965 Indo-Pakistan War was more "serious" than the 1969 "Soccer War," if only because the former involved major powers, large armed forces, and higher casualty rates. One could also base such an assessment on the fact that the 1965 war, unlike the "Soccer War," involved the explosion of long-standing cultural and religious antagonisms reflected in a long history of virtually uninterrupted conflict behavior. In short, a comparative evaluation of war "seriousness" is likely to be implicitly based on the history of tensions surrounding it. It is believed that the accounting scheme used in this study will reflect this factor.

3.3 FREQUENCY VERSUS VARIETY

(U) Following selection of the appropriate twenty-three conflict-interaction categories, the data-collection process was initiated. Prior to that, however, a major conceptual issue needed to be resolved. Namely, should conflict-interactions be accounted for using frequency of events or scaled variety of events? A number of leading theorists in the field of international relations have argued the former, asserting that the quantity of certain types of interaction is the most reliable, if not the single most important indicator of the quality of interstate behavior.* Others have focused on the importance of qualitative conflict "thresholds" whose crossing moves a conflict into the next, more intense conflict stage.** Instead of

*McClelland, Charles A. et al., The Management and Analysis of International Event Data: A Computerized System for Monitoring and Projecting Event Flows, University of Southern California, Los Angeles, California, 1971.

**Lincoln P. Bloomfield and Amelia C. Leiss, Controlling Small Wars: A Strategy for the 1970's, Alfred A. Knop, New York, N. Y., 1969.

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operationalizing the "state" of interstate conflict behavior in terms of the frequency of specific types of interaction, the second group of analysts stresses the critical importance of what Rosenau has called the "convention-breaking" character of single types of interaction.* In essence, therefore, the importance of frequency of interaction is downgraded on the grounds that it is really the initial, "threshold-crossing" action that occasions a qualitative change in opposing parties' relations, their respective expectations and perceptions of one another, and apparent intentions. With precedent established, participants will tend to adjust to the new relationship, the second occurrence of the same type of event will be less earth-shaking and the "unconventional" will have become "conventional." As Rosenau put it, "Persistent patterns of behavior... have a way of establishing their own legitimacy, irrespective of their illegitimacy when they originate."** In actuality, qualitative escalation of conflict is probably a function of both: frequency of interaction and convention-breaking single events. No doubt, for instance, the frequency of armed border incidents is an important indicator of the severity of interstate conflict behavior, as is the occurrence of the initial incident. In sum, both approaches are based on valid considerations, and while it would be preferable to integrate both, again, time and resource constraints compelled the study team to settle for one, in this case the scaled single-event method.

3.4 SCALING

(U) Once the decision had been made to operationalize conflict intensity in terms of a continuum of single threshold-crossing events, it became necessary to define a quantitative intensity scale suitable to explicit cross-comparison of identified conflict issues. Careful consideration of various scaling methods proposed in the relevant literature led to adoption of a modified version of Corson's Conflict-Cooperation Intensity Scale as most suitable to the present undertaking.***

*James N. Rosenau, The Scientific Study of Foreign Policy. The Free Press, New York, N. Y. 1971, p. 292. [The author used the term in his discussion of the concept of "intervention."]

**ibid., p. 292.

***Walter H. Corson, "Conflict and Cooperation in East-West Relations," unpublished memo, University of Michigan, 1970.

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The modification involved two steps. First, since the study's singular concern was with conflict intensity, no consideration was given to the cooperative segment of the Corson scale. Second, since this study's sample of conflict actions was substantially smaller than the one used by Corson (23 as opposed to 54) the latter was carefully examined in order to select out the matching, scaled actions. The resulting scale values for twenty-three conflictual actions are displayed below in Table 2-3.

3.5 THE DATA

(U) The principal data source used was the Deadline Data file.* This reference tool consists of a nation-by-nation chronological ordering of international and domestic events, and is up-dated regularly. While a sufficiently complete record of events is available from approximately 1960, the quantity of notations increases the more recent the time frame. Where Deadline Data appeared lacking in data, either geographically or temporally, additional sources were consulted.

(U) The data sources were carefully analyzed in order to match specific events to twenty-three generalized conflict-interaction categories. Periodic inter-coder reliability checks were performed that assured consistency of categorization.

(U) Thirteen years of data, from 1961 through 1973, were collected and recorded. The controlling factor in selecting 1961 as the initial collection year was availability of sufficient data.

4.0 CONFLICT INTENSITY SCORING PROCEDURES

(U) Computation of conflict intensity scores for each of the 126 issues of interest involved two steps: first, annual (1961 through 1973) scores were computed by summing up the scaled conflict activities for each of the thirteen years in question. Next, annual cumulative intensity scores were calculated with the use

*Deadline Data on World Affairs. (Weekly subscription reference service) OMS, Inc., Greenwich, Conn.

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TABLE 2-3. CONFLICT INTENSITY RATIO SCALE (U)*

<u>Conflict Actions</u>	<u>Intensity Ratio</u>
War	500.0
Sustained Attack	400.0
Military Clash in Crisis Environment	225.0
Break Diplomatic Relations	82.0
Mobilization/Troop Movement	80.0
Close Border	54.0
Non-Specific Threat of Attack	53.0
Military Maneuver	50.0
Suspend Diplomatic Relations	50.0
Armed Border Incident	38.0
Threat with Specific Sanctions, not including attack	30.0
Expel Opponent's Ambassador	25.0
Seize Opponent's Property	20.0
Trade Ban	18.0
Recall Ambassador	14.0
Boycott Meeting	12.0
Anti-Foreign Demonstration	10.0
Suspend Credit	9.0
Cancel official Visit	5.0
Reduce or Restrict Trade	4.0
Expel Opponent's Nationals	2.9
Arrest and Detain Opponent's Nationals	2.4
Criticize, Accuse, Demand, Reject	1.0

*As Adapted from Walter H. Corson

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of a "conflict obsolescence" rate. The rationale for its use, and the particular techniques employed are elaborated upon in the following text.

4.1 CONFLICT OBSOLESCENCE

(U) Current behavior patterns are perhaps as much the captive of past experience as they are structured by the pressing demands of today. Nation-states base the size of their defense budgets not only upon the perceived character of the threat today, but also with reference to its character two, three, or even more years ago. At the same time, the historical level of threat is probably not given as much weight as the current level. The shocking "convention-breaking" event of 1961 has probably been largely reduced to memory in 1973. Thus, for instance, the 1968 Warsaw Pact invasion of Czechoslovakia has had a progressively reduced impact on the annual NATO defense debate.

(U) The amount of time elapsed, in other words, has a de-grading, impact on the importance initially attached to an event. A conflict issue which at one time may have been "hot" in terms of ongoing conflict-interaction may become obsolescent over time. The overall seriousness of a conflict-issue was therefore thought to be a function of (1) the "real-time" intensity or "value" of current, ongoing conflict-interaction, plus (2) the de-graded intensity of past conflict-interaction.

(U) Assuming the validity of the concept, the question arises, how rapidly or slowly are past events de-graded? How long does it take for events to be reduced to mere memories? K. J. Holsti has observed that it is "almost impossible... to determine when a conflict reaches obsolescence."* Most likely, the "half-life" of a historical conflict varies with its past intensity, the mutual perceptions of the particular parties involved, and the state of their current relationship. It is not unreasonable to assume, for instance, that a predisposition of ethnic or religious animosity will have a controlling impact on the longevity of past conflict behavior. Deep-seated, historical enmity creates distrust and suspicions—the opponent's actions

*Holsti, p. 412.

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are "expected" to be harmful, and his past behavior is used as a constant reminder to be watchful. Conversely, if a bilateral relationship substantially lacks this hostile predisposition, the opponent's past behavior is more likely to be viewed as passing and bounded in time. It may be parenthetically observed that perhaps the essence of East-West detente lies in this shift of perspectives, i.e., from a mutual history-driven presumption of harmful behavior to a belief in the preeminence of the present.

(U) Evidently, therefore, the issue context is probably of controlling importance in defining individual conflict-issue obsolescence rates. All the same, considering the generalized nature of the study, it was felt that derivation of an average or "standard" obsolescence rate across a large number of cases was justifiable and relevant.

4.2 TECHNIQUES

(U) The study experimented with two arbitrarily defined, non-linear obsolescence rates to compute the de-graded impact of past conflict behavior on current conflict intensities. A system of weighted moving averages employing weight constants of 0.9 and 0.6, respectively, was used to operationally define different obsolescence rates. The relevant formulas were as follows:

$$\frac{1.0 (V_t) + 0.9 (V_{t-1}) + 0.9^2 (V_{t-2}) + 0.9^3 (V_{t-3}) + \dots 0.9^{12} (V_{t-12})}{1.0 + 0.9 + 0.9^2 + 0.9^3 + \dots 0.9^{12}}$$

and

$$\frac{1.0 (V_t) + 0.6 (V_{t-1}) + 0.6^2 (V_{t-2}) + 0.6^3 (V_{t-3}) + \dots 0.6^{12} (V_{t-12})}{1.0 + 0.6 + 0.6^2 + 0.6^3 + \dots 0.6^{12}}$$

Where "V_t" is the real-time value, or intensity of the conflict in 1973, and "V_{t-12}" is its intensity in 1961.

(U) Figure 2-1 displays the general implications of the two different weighting constants for a hypothetical real-time 1961 conflict value of 100.

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Legend:
= 0.9 Constant
= 0.6 Constant

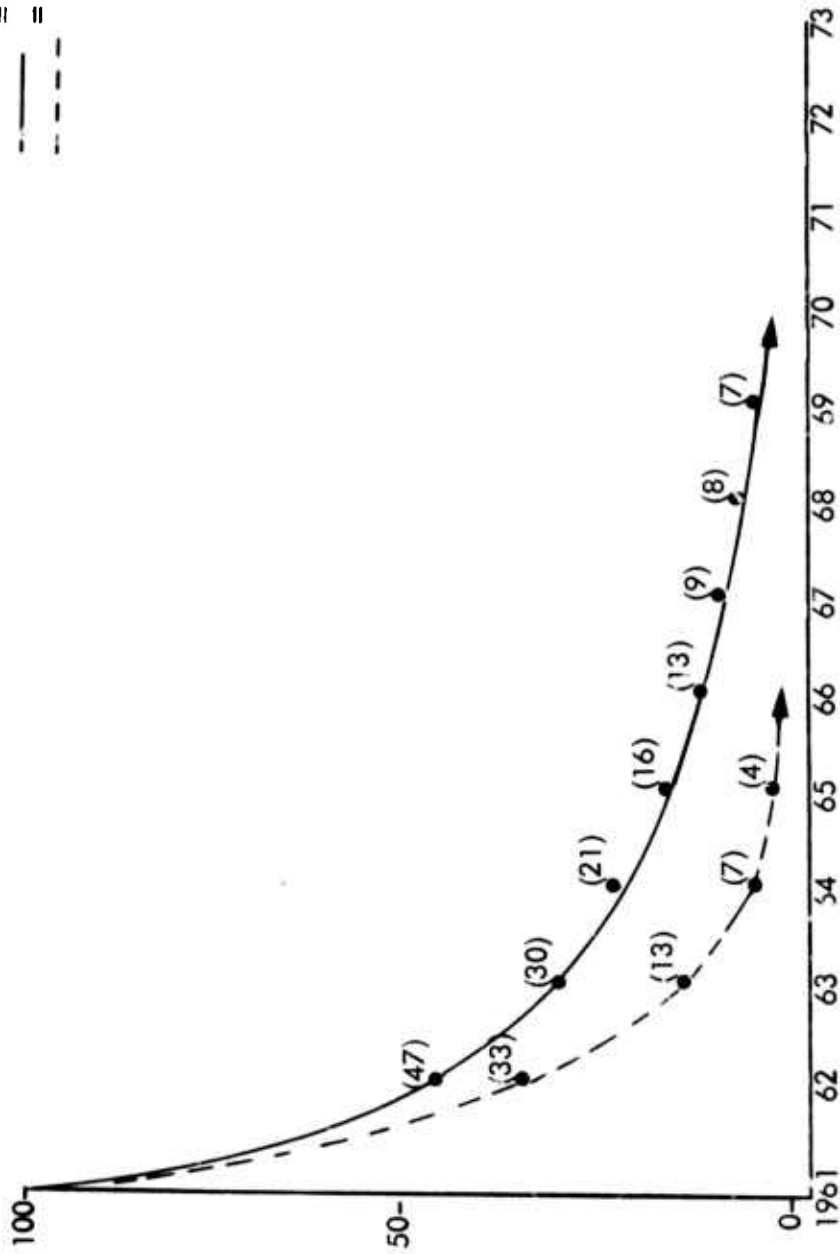


Figure 2-1. Implications of Two Weight Constants on Conflict Obsolescence Rates (U)

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(U) The use of a 0.6 weighting constant produces a substantially more rapid reduction in value than does 0.9. Implicit therefore in the use of a 0.9 constant to compute conflict end-values is the assumption of a relatively long-lasting "lingering effect" of past conflict interaction.

(U) Table 2-4 provides a side-by-side display of the 1973 cumulative weighted average conflict scores using 0.6 and 0.9 constants, respectively. The Appendix contains the annual real-time as well as cumulatively weighted average conflict scores for the years 1961 through 1973.

(U) Having computed conflict intensity scores across 126 issues, the next task was to assign those scores to the appropriate countries in order to define cross-national threat level scores. In most cases, the issue scores were simply transferred to the individual actors that were a party to the issue. Thus, where the United Kingdom - Iceland fishery dispute scored 26.9, both countries were assigned equivalent threat levels. Where, on the other hand, an actor was a participant in multiple issues, it was assigned the highest single score of the set. One of the more obvious examples is the case of Israel which, though involved in nine separately identified disputes, was given a single threat level value based upon its involvement with Egypt. Table 2-5 displays the resulting 1973 threat level scores for 98 conflict issue participants.

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TABLE 2-4
CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
USING TWO WEIGHT CONSTANTS (U)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
001	Israel - Jordan	359.72	356.29
002	Israel - Saudi Arabia	54.60	60.63
003	Israel - Morocco	71.74	63.23
004	Israel - Libya	84.47	80.51
005	Israel - Syria	446.92	468.28
006	Israel - Iraq	258.38	186.45
007	Israel - Algeria	21.14	67.59
008	Israel - Lebanon	452.11	318.22
009	Israel - Egypt	646.47	557.70
010	Saudi Arabia - Oman	50.05	50.37
011	Saudi Arabia - Syria	7.25	8.84
012	Saudi Arabia - Iraq	33.32	18.10
013	Saudi Arabia - Iran	3.02	7.68
014	Saudi Arabia - Egypt	13.44	72.36
015	Saudi Arabia - South Yemen	46.41	46.89
016	Saudi Arabia - Yemen	58.43	90.81
017	Saudi Arabia - United Arab Emirates	.26	.51
018	Iran - Egypt	15.22	46.49

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TABLE 2-4
CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
019	Iran - Lebanon	50.92	36.62
020	Iran - Kuwait	.42	.31
021	Iran - Iraq	112.37	89.97
022	Iran - Bahrein	.21	.64
023	Iran - United Arab Emirates	24.92	23.18
024	Kuwait - South Yemen	.28	.47
025	Kuwait - Egypt	.70	1.41
026	Kuwait - Iraq	73.32	63.18
027	South Yemen - Oman	76.20	51.40
028	South Yemen - Yemen	484.85	293.24
029	Yemen - Egypt	25.41	161.77
030	United Arab Emirates - Qatar	2.73	2.30
031	Qatar - Bahrein	1.00	1.00
032	Sharjah - Al Quwain	3.37	3.81
033	Sharjah - Fujaihra	9.13	4.59
034	Iraq - Tunisia	.55	2.78
035	Iraq - Jarden	19.20	24.42
036	Syria - Egypt	4.39	27.51
037	Syria - Morocco	17.79	29.90

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TABLE 2-4
 CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
 USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
038	Syria - Tunisia	19.88	31.01
039	Syria - Jordan	188.90	191.84
040	Syria - Lebanon	109.06	127.37
041	Egypt - Libya	4.65	1.75
042	Egypt - Tunisia	3.52	14.80
043	Egypt - Sudan	9.39	8.50
044	Egypt - Jordan	118.22	106.93
045	Libya - Morocco	27.46	20.46
046	Libya - Sudan	5.45	2.67
047	Lebanon - Jordan	2.31	2.06
048	Morocco - Algeria	4.20	47.77
049	Morocco - Tunisia	1.95	15.37
050	Morocco - Spain	16.47	13.71
051	Algeria - Tunisia	3.03	8.40
052	Ethiopia - Somalia	7.26	84.21
053	Ethiopia - Kenya	.16	2.03
054	Ethiopia - Sudan	22.89	33.85
055	Somalia - Kenya	8.88	53.02
056	Kenya - Uganda	70.90	27.32

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TABLE 2-4
CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
057	Uganda - Sudan	24.92	34.33
058	Uganda - Tanzania	259.82	148.34
059	Tanzania - Malawi	3.57	18.20
060	Malawi - Mozambique	48.86	18.41
061	Zambia - Portugal	57.46	76.93
062	Zambia - South Africa	87.20	76.12
063	Zambia - Rhodesia	177.06	151.76
064	Zaire - Congo	88.48	113.64
065	Zaire - Burundi	1.49	13.67
066	Zaire - Rwanda	11.59	27.34
067	Rwanda - Burundi	5.32	41.98
068	Niger - Dahomey	.48	6.93
069	Ghana - Togo	2.42	28.74
070	Ghana - Upper Volta	1.94	17.28
071	Ghana - Guinea	52.27	53.53
072	Guinea - Ivory Coast	6.32	13.94
073	Portuguese Guinea - Senegal	49.38	97.67
074	Portuguese Guinea - Guinea	40.81	56.81
075	Mali - Senegal	1.50	20.31

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TABLE 2-4
CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
076	Mali - Mauritania	.31	8.48
077	Senegal - Gambia	9.74	10.35
078	South Africa - Botswana	61.64	47.14
079	South Africa - Lesotho	53.99	50.78
080	Morocco - Mauritania	15.54	40.07
081	India - Pakistan	251.94	271.83
082	India - China	18.54	120.55
083	Pakistan - Afghanistan	21.97	31.98
084	Burma - China	6.06	17.04
085	Cambodia - Thailand	8.23	40.09
086	Cambodia - South Vietnam	17.92	78.70
087	Cambodia - North Vietnam	462.71	294.72
088	North Vietnam - Laos	200.40	352.46
089	North Vietnam - South Vietnam	408.44	469.78
090	North Vietnam - USA	382.98	509.46
091	Malaysia - Indonesia	13.82	153.62
092	Malaysia - Philippines	6.60	28.67
093	China - Soviet Union	37.78	67.84
094	China - Mongolia	40.13	42.44

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TABLE 2-4
CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
095	China - Macao	4.85	21.35
096	China - Hong Kong	46.68	76.27
097	China - Taiwan	194.04	235.40
098	China - Japan	68.73	65.70
099	China - USA	47.92	119.73
100	China - Indonesia	2.99	14.02
101	Japan - Soviet Union	.06	.56
102	Japan - Soviet Union	2.90	11.34
103	Japan - Soviet Union	7.63	4.21
104	Japan - Taiwan	45.01	21.76
105	Japan - South Korea	3.18	15.20
106	South Korea - North Korea	185.62	202.54
107	USA - Ecuador	35.34	30.43
108	USA - Peru	37.50	23.45
109	USA - Panama	8.66	19.97
110	USA - Cuba	106.05	133.23
111	Honduras - El Salvador	114.40	136.53
112	Honduras - Nicaragua	3.15	8.91
113	Guyana - Surinam	11.10	23.83

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TABLE 2-4
CUMULATIVE WEIGHTED AVERAGE CONFLICT SCORES 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Issue I.D.	Primary Parties	Conflict Scores	
		.6 Constant	.9 Constant
114	Guyana - Venezuela	7.22	14.37
115	Venezuela - Cuba	52.23	63.06
116	Guatemala - British Honduras	20.06	22.05
117	Argentina - Chile	2.31	12.38
118	Argentina - Uruguay	1.09	1.85
119	Argentina - Paraguay	.13	1.10
120	Argentina - United Kingdom	1.09	1.16
121	Brazil - Paraguay	1.49	8.53
122	Bolivia - Chile	.95	13.12
123	Dominican Republic - Haiti	17.96	29.79
124	United Kingdom - Iceland	58.13	26.92
125	Turkey - Cyprus	4.54	33.11
126	Turkey - Greece	24.32	42.73

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TABLE 2-5
CROSS-NATIONAL THREAT LEVEL SCORES FOR 1973
USING TWO WEIGHT CONSTANTS (U)

Parties	1973 Threat Level Scores	
	.6 Constant	.9 Constant
Israel	646.47	557.70
Jordan	359.72	356.29
Saudi Arabia	58.43	90.81
Morocco	71.74	63.23
Libya	84.47	80.51
Syria	446.92	468.28
Iraq	258.38	186.45
Algeria	21.14	67.59
Lebanon	452.11	318.22
Egypt	646.47	557.70
Oman	76.20	51.40
Iran	112.37	89.97
South Yemen	484.85	293.24
Yemen	484.84	293.24
United Arab Emirates	24.92	23.18
Kuwait	72.32	63.18
Bahrein	1.00	1.00
Qatar	2.73	2.30
Sharjah	9.13	4.59
Al Quwain	3.37	3.81
Fujaihra	9.13	4.59
Tunisia	19.88	31.01
Sudan	22.89	34.33
Spain	16.47	13.71

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TABLE 2-5
CROSS-NATIONAL THREAT LEVEL SCORES FOR 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Parties	1973 Threat Level Scores	
	.6 Constant	.9 Constant
Ethiopia	22.89	33.85
Somalia	8.88	84.21
Kenya	70.90	27.32
Uganda	259.82	148.34
Tanzania	259.82	148.34
Malawi	48.86	18.41
Mozambique	48.86	18.41
Portugal	57.46	76.93
South Africa	87.20	76.12
Zambia	177.06	151.76
Rhodesia	177.06	151.76
Zaire	88.48	113.64
Congo	88.48	113.64
Burundi	5.32	41.98
Rwanda	11.59	27.34
Niger	.48	6.93
Dahomey	.48	6.93
Ghana	52.27	53.53
Togo	2.42	28.74
Upper Volta	1.94	17.28
Guinea	52.27	56.81
Ivory Coast	6.32	13.94
Portuguese Guinea	49.38	97.67
Senegal	49.38	97.67

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TABLE 2-5
CROSS-NATIONAL THREAT LEVEL SCORES FOR 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Parties	1973 Threat Level Scores	
	.6 Constant	.9 Constant
Mali	1.50	20.31
Mauritania	15.54	40.07
Gambia	9.74	10.35
India	251.94	271.83
Pakistan	251.94	271.83
China	194.04	235.40
Afghanistan	21.97	31.98
Burma	6.06	17.04
Cambodia	462.71	294.72
Thailand	8.23	40.09
South Vietnam	408.44	469.78
North Vietnam	408.44	509.46
Laos	200.40	352.46
Indonesia	13.82	153.62
Malaysia	13.82	153.62
Philippines	6.60	28.67
Soviet Union	37.78	67.84
Mongolia	40.13	42.44
Macao	4.85	21.35
Hong Kong	46.68	76.27
Taiwan	194.04	235.40
Japan	68.73	65.70
South Korea	185.62	202.54
North Korea	185.62	202.54
USA	382.98	509.46

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TABLE 2-5
CROSS-NATIONAL THREAT LEVEL SCORES FOR 1973
USING TWO WEIGHT CONSTANTS (U) (Cont'd.)

Parties	1973 Threat Level Scores	
	.6 Constant	.9 Constant
Ecuador	35.34	30.43
Peru	37.50	23.45
Panama	8.66	19.97
Cuba	106.05	133.23
Honduras	114.40	136.53
El Salvador	114.40	136.53
Nicaragua	3.15	8.91
Guyana	11.10	23.83
Surinam	11.10	23.83
Venezuela	52.23	63.06
Guatemala	20.06	22.05
British Honduras	20.06	22.05
Argentina	2.31	12.38
Chile	2.31	13.12
Uruguay	1.09	1.85
Paraguay	1.49	8.53
Brazil	1.49	8.53
Dominican Republic	17.96	29.79
Haiti	17.96	29.79
Bolivia	.95	13.12
United Kingdom	58.13	26.92
Iceland	58.13	26.92
Turkey	24.32	42.73
Cyprus	4.54	33.11
Greece	24.32	42.73

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5.0 VALIDITY AND RELIABILITY

(U) The crucial question is, of course, to what extent the scaled conflict intensities actually measure what they claim to measure, namely, the relative levels of threat that the respective conflict participants are exposed to. The usefulness of the derived conflict intensity scores is dependent on the validity of the Corson conflict scale and the validity of the conflict degradation technique.

(U) The ideal validation technique is the use of independent criteria.

5.1 THE CROSS-NATIONAL GROWTH MODEL

(U) On the assumption of a positive relationship between the amount of external conflict and national defense expenditures it was decided to test the validity of the cross-national conflict scores against a CASA-developed model of comparative national defense efforts.* A brief summary of the latter follows next.**

(U) The "Cross-National Growth Model" utilizes a series of multiple regressions to measure the expected annual growth in national defense expenditures and manpower. Using system-wide time-series (1960-1970) data for such national growth criteria as GNP, population size, education expenditures, and energy production, it was found that a fairly consistent, system-wide relationship existed between national development and defense effort, be it budgets or manpower. Using the system-wide growth coefficients, it thus became feasible to compute and project national defense characteristics as one would expect those to be in terms of a country's particular GNP, population, etc., growth attributes.

*No assumption is made about the causal relationship between external conflict and defense expenditures, or vice versa.

**For a more detailed and technical explanation, see USMC Projected Tactical Threat Envelopes, 1972-1990(U), Vol. V.

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(U) Comparison of expected with actual (observed) national military growth values over the 1961-1970 time period suggested the existence of substantially stable national deviations from the system's expectation. These national fluctuations above or below the system "average" were employed as calibration coefficients in order to give added precision to projected national defense efforts.

(U) Conceptually, the amount of calibration between a country's expected and observed defense expenditures was interpreted as the result of country-specific situational (as opposed to systemic) threat perception. For instance, it is quite reasonable to conclude that an Israeli defense budget which is seven times higher than the "systemic norm" is reflective of its unusually intense conflict environment. Conversely, negative calibration coefficients appeared to be associated with "abnormally" low threat levels.

(U) The use of cross-national defense calibration coefficients as an explicit measure of relative national defense efforts seemed an effective means of validating the relevance of the conflict intensity scores.

(U) To measure the degree of association between the measures of conflict intensity and the defense calibration factor, Pearson product-moment coefficients were computed for the year 1970, using both the 0.6 and 0.9 conflict obsolescence rates. The year 1970 was selected because it was the most recent data for which defense calibration coefficients were available. Moreover, the absence of calibration coefficients for certain countries required that the sample of conflict cases be reduced to seventy-two.

(U) The resulting correlation coefficients were impressively high: $r = .78$ ($N = 72$) for conflict intensity scores based on the 0.6 obsolescence rate, and $r = .76$ ($N = 72$) for the scores that had employed the 0.9 rate.

(U) On the face of the extreme closeness of the two coefficients, it seemed clear that the two conflict intensity samples were evidently drawn from the same population. While a strong relationship was found to exist between relative national defense efforts and the conflict environment, this relationship was equally sensitive to both the 0.6 and 0.9 obsolescence rates.

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(U) In order to further investigate the apparent equal sensitivity of the conflict scores to the two selected obsolescence rates, Spearman rank-order correlation coefficients were computed, again using both the 0.6 and 0.9-based 1970 conflict intensity values. Both samples produced correlation coefficients of $\rho = .57$ ($N = 72$), thus supporting the conclusion that obsolescence rates of ≥ 0.6 and ≤ 0.9 define the minimal area of insensitivity for the conflict scores.

(U) While the resulting rank-order coefficients are statistically significant, the appreciably higher product-moment results suggest a substantially more powerful relationship between the specific derived conflict values and specific relative defense efforts than exists between the associated rankings.

(U) Based on the foregoing statistical findings, and assuming no drastic change in the relationship between relative threat levels and national defense efforts, from those that prevailed in 1970, it was concluded that the data and methods used provided a useful and valid means of identifying and measuring comparative cross-national threat levels due to local conflict.

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SYNTHESIS AND CONCLUSIONS

1.0 OVERVIEW

(U) The final part of the study involved merging the two main research tasks as developed in Sections 1 and 2 into a coherent statement and rank-ordering of potential geographic areas of U.S. security and policy planning concern. The juxtaposition of the attributes of stake and threat was justified on the grounds that their combination provides the primary input into the sub-theater policy planning and decisionmaking process.

(U) The development of this section of the study was undertaken as an exploratory venture, with full knowledge that important data gaps existed and that the results would be preliminary in nature, and therefore limited in their operational usefulness. One obvious shortcoming, for instance, is the failure to account for the problem of internal instability in the earlier conflict assessment. The study team was quite aware of the critical relevance of a civil war to the security of a U.S. stake; however, constraints on time and resources did not allow explicit consideration of this aspect of conflict. Similarly, the study did not include a systematic investigation of the risks to U.S. stakes that may be implicit in the competitive presence of other major actors in a third country. Finally, while the ultimate objective of a stake-threat assessment is an estimate of threatened loss, the scope of the study did not permit the exhaustive analysis that would be required to accomplish this. Consequently, the study represented only a first step in this direction by generating a rank-ordering of sub-theater areas of U.S. stake and local external threat.

1.1 STAKE-THREAT SYNTHESIS

(U) A rank-ordering of U.S. stakes was derived directly from the 1972 composite-scoring results and therefore requires no additional explanation.

(U) Section 2 developed the concept of a cross-national threat level and, with minor adjustments, provided the input for a rank-ordering of local threats. Modifications were made in order to (1) assure the compatibility of the two samples

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of stake and threat cases respectively, and (2) to make the two attributes compatible on a common measure. In order to achieve the first objective, certain cases that were included in the cross-national threat evaluation in Section 1, but absent from the sample of U.S. stake countries, were eliminated from consideration. Conversely, a number of cases previously excluded from the threat assessment were added, since they were measured in relation to the U.S. stake. To accomplish this, the newly added countries were assigned an arbitrary relative external threat score of "1." A final sample totalling 95 country cases was examined on a common statistical measure of level of U.S. stake, and of external threat.

(U) In order to provide this common measure, the raw 1973 threat level scores, based on the use of a 0.9 weighted obsolescence rate, were standardized and the z-scores derived. Since the computed threat level scores did not prove overly sensitive to the 0.6 - 0.9 weight range, the selection of the 0.9 rate was done arbitrarily.

(U) Comparison of the standard threat levels with the (standard) composite scores of the system-wide U.S. stake is useful to the extent that it constitutes a first step toward a systematic and explicit evaluation of actual and potential theaters of U.S. policy and planning concern. At a minimum, the use of standard scores as a common statistical measure, permits the analyst to define a rank-ordering of "threatened interests" at the sub-theater level. A first step toward such a rank-ordering is provided in Table 3-1, which displays the 95 countries in the sample in order of their significance to the U.S. stake, and their relative exposure to external threats. Figure 3-1 displays a selected number of countries along a continuum of increasing U.S. security "concern" as defined by an isoproduct family of lines connecting the two attributes of multidimensional stakes and threat. To be sure, the lines are strictly arbitrary, and bear no relationship whatsoever to any actual defense decision-making thresholds that might exist. Instead, they are shown to stimulate further conceptual thinking on the precise connection between U.S. interests and associated risks.

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TABLE 3-1 ² (R) U.S. COMPOSITE INTEREST SCORES FOR 1972
AND CROSS-NATIONAL THREAT ASSESSMENT (U)

<u>COUNTRY</u>	<u>INTEREST SCORE</u>	<u>THREAT SCORE</u>
Canada	3.04	-.66
South Vietnam	1.97	3.52
West Germany	1.37	-.66
Iceland	.86	-.42
Israel	.70	4.31
Japan	.67	-.08
United Kingdom	.60	-.42
Mexico	.49	-.66
Italy	.47	-.66
India	.39	1.75
Philippines	.38	-.41
Brazil	.28	-.59
France	.25	-.66
South Korea	.25	1.13
Greece	.22	-.28
Thailand	.13	-.31
Colombia	.12	-.66
Turkey	.11	-.28
Australia	.10	-.66
Iran	.09	.24
Panama	.07	-.49
Venezuela	.07	-.10
Spain	.07	-.54
Dominican Republic	.06	-.40
Peru	.02	-.46
China (Taiwan)	-.02	1.43
Pakistan	-.02	1.75
Argentina	-.03	-.55
Ecuador	-.03	-.39
Cyprus	-.04	-.37
Guatemala	-.04	-.47
Honduras	-.04	.54
Liberia	-.05	-.66
Bolivia	-.05	-.55
Cambodia	-.06	1.96
Belgium	-.06	-.66
Austria	-.07	-.66
Jordan	-.07	2.51
Haiti	-.07	-.40
Netherlands	-.07	-.66
Yugoslavia	-.08	-.66

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TABLE 3-1. ² (2) U.S. COMPOSITE INTEREST SCORES FOR 1972
AND CROSS-NATIONAL THREAT ASSESSMENT (U) (Continued)

<u>COUNTRY</u>	<u>INTEREST SCORE</u>	<u>THREAT SCORE</u>
Chile	-.08	-.55
Norway	-.08	-.66
Costa Rica	-.10	-.66
Nicaragua	-.10	-.59
Denmark	-.14	-.66
Ethiopia	-.15	-.36
El Salvador	-.16	.54
Hong Kong	-.16	.01
Lebanon	-.16	2.17
New Zealand	-.16	-.66
Ireland	-.17	-.66
Uruguay	-.17	-.65
Ghana	-.18	-.19
Portugal	-.18	.03
South Africa	-.18	.00
Switzerland	-.18	-.66
Afghanistan	-.20	-.38
Paraguay	-.20	-.59
Sweden	-.20	-.66
Finland	-.21	-.66
Saudi Arabia	-.21	.14
Morocco	-.22	-.10
Tunisia	-.22	-.66
Sri Lanka	-.25	-.66
Zaire	-.25	.34
Libya	-.28	.04
Sierra Leone	-.29	-.66
Cameroon	-.30	-.66
Tanzania	-.32	.65
Senegal	-.33	.20
Dahomey	-.33	-.60
Burma	-.33	-.51
Kuwait	-.33	-.10
Guinea	-.34	-.16
Mali	-.34	-.48
Sudan	-.34	-.36
Algeria	-.34	-.06
Niger	-.36	-.60
Iraq	-.36	.99
Somalia	-.37	.08
Congo	-.38	.34
Syria	-.38	3.51
Yemen	-.38	1.94

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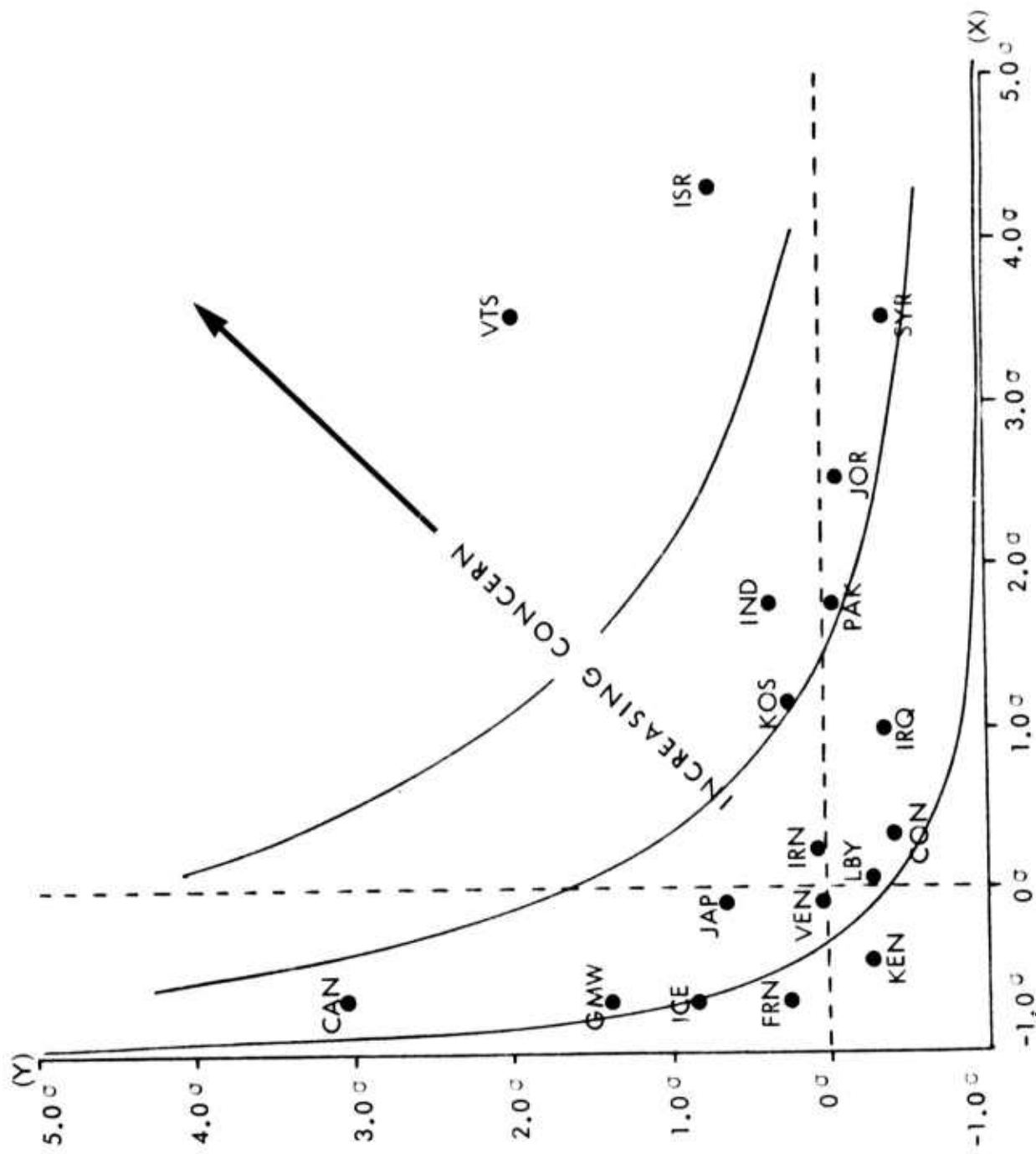


Figure 3-1. Selected Countries Measured According to Relative Levels of U.S. Stake (Y) and Threat (X)

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1.2 SUMMATION AND CONCLUSIONS

(U) The following section summarizes the results achieved, points out their strengths and limitations and identifies relevant areas requiring further investigation.

(U) The principal contribution of the study lies in its ability to systematically investigate and give operational relevance to the concept of the U.S. interest as it impinges upon the daily concerns of the policy planner. Statistical manipulation of those aspects of the U.S. interest that were deemed quantifiable resulted in an explicit cross-national measure of its "irreducible minimum." Consequently, the study has provided an integrated definition to those informational inputs which routinely structure the U.S. responsiveness to sub-theater crises and events, but which are often stated unclearly, and without systematic appreciation of possibly competing local priorities. In short, it is hoped that the development of an explicit rank-ordering of countries in terms of their relative importance to the U.S. stake will contribute clarity and discrimination to the sub-theater planning dilemma.

(U) It should be stressed that although the analysis has centered on highly aggregated composite scores and rankings, much is to be said for the utility of the information to be gained from individual variables. Monitoring and analysis of fluctuations and trends in individual aspects of the U.S. stake may be highly useful to the analyst who is concerned with a particular country or region rather than the overall international system. There is no reason to believe that the concepts and methodologies developed in this study are not equally applicable to such an objective.

(U) Summarizing, Section 1 of the study accomplished these tasks:

- Development of an operational definition of the concept of U.S. interests abroad;
- Development of suitable procedures and techniques for measuring U.S. interests abroad;
- Measurement and rank-ordering countries in terms of U.S. interest;
- Projection of a near-term (1973-1977) estimate of likely levels of U.S. interests throughout the international system.

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(U) Section 2 investigated the feasibility of deriving a set of cross-national, quantitative indicators of external local conflict intensity. The objective was to arrive at a preliminary statement of localized threat levels as they might impinge upon U.S. stake and imply a risk of loss. External validation of 1970 conflict intensity scores evidenced the usefulness of the procedure that was used to operationalize and measure comparative threat levels, i.e., in terms of scaled conflict interactions and the concept of conflict-issue obsolescence. With regard to the particular obsolescence rates that were used, additional work will need to be done in order to discover the sensitivity of the conflict scoring results to different weights and to the number of events initiated.

(U) As pointed out previously, a detailed examination of the international conflict environment and its impact on the security of U.S. stakes, must account for more than the narrow problem of external conflict. This study did not; consequently, the final description of U.S. stakes in terms of the localized threat environment does not constitute a sufficiently broad exposition of potential hazards and risks.

(U) Earlier mention was made of the necessity to investigate the potential risks to U.S. stakes that may be implicit in the competitive presence of other major actors in a third country. The existence of "competing interests" — be they political, military, or economic — is sufficiently prevalent to warrant an in-depth investigation of its dynamics and its potential for precipitating diplomatic and military crises. The methodologies and results developed in this study are believed fully applicable to a comparative assessment of the concerns and involvements of other actors throughout the international system.

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SECTION 4

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*Entries refer to footnoted references only. Data sources are listed in the Appendix.

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