

RELEASE IN FULL

Memorandum

To: Department of State

From: Long Term Strategy Group

Re: Consulting agreement

Issue: The Long Term Strategy Group would undertake by means of a consulting agreement to explore major shifts in American strategy for interacting with the major powers of Asia. This would involve simulations of alternative interactions among Asian powers, and the impact of alternative American strategies on the outcome of those interactions. Because these explorations involve speculative contingencies they are most appropriately conducted through non-governmental institutions, though they can ultimately be used to inform debate within the American government.

Background: The strategic landscape of Asia has clearly changed substantially over the last few decades, and may shift suddenly in ways that are currently under-explored. The growth of Chinese power is altering the Asian balance of power; the government of India is exploring new defense alignments; and Japanese officials are openly discussing subjects that were previously off limits, up to and including a nuclear weapons option for Japan. The current economic crisis will very likely lead to higher levels of political instability within major Asian countries, including China, which may, in turn lead to discontinuities in their external policies, creating a need to explore a range of possible new political configurations within the region, and possible new modes of American interaction with traditional allies, new friends, and potential rivals. The explicit examination of these new configurations and modes of interaction calls for combinations of activities (e.g., conduct of simulations of long-range regional interactions, some of which entail non-incremental shifts in American foreign policy) and consideration of scenarios that are inevitably politically sensitive that are most appropriately conducted outside the American government.

The role of non-government groups working with the American government to explore speculative contingencies and potentially controversial departures from current policy is well established. The Center for New American Strategy has been exploring strategic options in Afghanistan. The Brookings Institution and Center for Strategic and International Studies have regularly worked on plans to restructure agencies and departments within the American government that are not as well positioned to conduct that sort of planning themselves.

The Long Term Strategy Group has specialized in the analysis of modes of strategic decision-making and behavior that differ from those anticipated by the United States. It has focused on China, Iran, India, Pakistan, and Japan, and has presented its work to the Office of the Director of National Intelligence, National Intelligence Council, NSC staff members, and the Office of the Secretary of Defense, and participated in and organized multiple simulations for the American government to explore the nature and outcome of complex interactions among states that do not behave in ways commonly anticipated by the United States. As a private, for-profit organization, it can conduct work that remains the exclusive, not-for-publication property of the contracting party (i.e., the government).

The initial issues to be explored by LTSG would include:

--The impact of a potential severe and prolonged economic contraction on the foreign policies of China, Japan, and Russia; the resulting shifts in alliances and relationships of conflict within the region; and the alternative strategies for interacting with Asia that might be considered by the United States.

--The impact of a potential end of effective central government in Pakistan that leaves a Punjab state co-existing with a Baluch/Sindh state and an Afghanistan that expands to control the border regions now part of Pakistan.

--The impact of the acquisition of nuclear weapons by Iran on intra-Asian relations.

In each case, the deliverables would constitute one monograph, the conduct of one simulation exercise involving non-government participants (and government observers/participants if desired), and one workshop report.

Action: To approve the general plan of work set forth above, and to initiate administrative measures to complete the work within 15 months of initial approval.