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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name MATLOCK, JACK: FILES

Withdrawer

JET 4/7/2005

File Folder MATLOCK CHRON JUNE 1985 (4/4)

FOIA

F06-114/2

Box Number 10

YARHI-MILO

1001

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
7472	MEMO	SHULTZ TO PRESIDENT REAGAN RE MEETING WITH DOBRYNIN JUNE 24: GORBACHEV RESPONSE ON INTERIM RESTRAINT <i>R 11/21/2007 F06-114/2</i>	2	6/25/1985	B1
7473	MEMO	MATLOCK TO MCFARLANE RE SUMMIT VENUE AND CURRENT USSR PROPAGANDA <i>R 11/21/2007 F06-114/2</i>	3	6/27/1985	B1
7474	MEMO	MATLOCK TO MCFARLANE RE SECRETARY BLOCK'S DESIRE TO VISIT USSR <i>R 1/11/2012 M125/2</i>	1	6/27/1985	B1
7475	MEMO	SAME TEXT AS DOC #7474 <i>R 1/11/2012 M125/2</i>	1	6/27/1985	B1
7476	MEMO	SAME TEXT AS DOC #7473 <i>R 11/21/2007 F06-114/2</i>	3	6/27/1985	B1
7477	MEMO	SAME TEXT AS DOC #7474 <i>R 1/11/2012 M125/2</i>	1	6/27/1985	B1
7478	MEMO	MATLOCK TO MCFARLANE RE CIA PAPER ON "GORBACHEV, THE NEW BROOM" <i>R 11/24/2011 F2006-114/2</i>	1	6/28/1985	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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WITHDRAWAL SHEET

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Collection Name MATLOCK, JACK: FILES

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JET 4/7/2005

File Folder MATLOCK CHRON JUNE 1985 (4/4)

FOIA

F06-114/2

Box Number 10

YARHI-MILO

1001

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
7479	MEMO	MCFARLANE TO PRESIDENT REAGAN RE CIA PAPER ON GORBACHEV'S FIRST 100 DAYS <i>R 8/17/2011 M125/2</i>	1	ND	B1
7480	COVER SHEET	CASEY TO PRESIDENT REAGAN RE USSR <i>R 8/17/2011 M125/2</i>	1	6/27/1985	B1
7481	LETTER	CASEY TO PRESIDENT REAGAN RE GORBACHEV <i>R 5/26/2011 F2006-114/2</i>	1	6/27/1985	B1
7482	REPORT	GORBACHEV, THE NEW BROOM <i>PAR 8/17/2011 M125/2</i>	13	ND	B1

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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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WASHINGTON

Eyes Only
Secret/News
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JF405 J4c
Summit Venue 1

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OF CLASSIFIED ENCLOSURE(S)

OS 4/17/02

ITEM RETURNED
TO NSC

SECRETARIAT

IN APRIL 1987

Log # not logged / 1985, 1 July

NATIONAL SECURITY COUNCIL

~~SECRET/SENSITIVE~~

June 26, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: JACK MATLOCK *JM*SUBJECT: Gorbachev's Response to President's Letter on
Interim Restraint

In a meeting with Secretary Shultz Monday, Dobrynin delivered a letter from Gorbachev which replies to the President's letter of June 10 explaining his decision on interim restraint.

I concur with the Secretary's analysis of the letter, in particular that it seems to have been written in the Foreign Ministry, and is designed primarily for the record. Given the harshness of some of the language which was drafted to refute charges of Soviet non-compliance, Gorbachev did reassert that he is "full of resolve to strive to find a solution" [to the "central issue of security"] and endorsed once more the President's earlier appeal for a "joint search for ways to improve Soviet-American relations." This is a typically Soviet way of trying to keep the door open.

Attached is a brief memo to the President forwarding the reply and Secretary Shultz's comments on it.

Recommendation:

That you forward the memorandum at TAB I to the President.

Approve ____

Disapprove ____

Attachments:

TAB I Memorandum to the President

TAB A Memorandum from Secretary Shultz and Gorbachev Reply

Authority
BY

DECLASSIFIED

NLSS 97-007 494 SMC 10/22/99
NARA, Date 6/17/02~~SECRET/SENSITIVE~~

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

4
SYSTEM II
90713

~~SECRET/SENSITIVE~~

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE

SUBJECT: Gorbachev's Reply to Your Letter Explaining Your
Interim Restraint Decision

In a meeting Monday, Dobrynin delivered to George Shultz a reply from Gorbachev to your letter of June 10 explaining your interim restraint decision.

As George points out, the letter seems to have been staff written in the Foreign Ministry for the record. While it rejects charges of Soviet non-compliance in harsh language, Gorbachev was careful to conclude by reiterating a desire to work out problems in the relationship.

We are now working with State on a draft reply to this and Gorbachev's earlier letter.

Attachment:

Tab A Memorandum from Secretary Shultz and translation
of letter from Gorbachev dated June 22.

Prepared by:
Jack F. Matlock

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Authority NLSS97-001 #91 SMF 10/22/99
BY CJS, NARA, Date 6/17/02

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National Security Council
The White House

System #

II

Package #

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85 JUN 25 P 6: 03

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson			
William Martin	1	WM	A
John Poindexter			
Paul Thompson			
Wilma Hall			
Bud McFarlane			
William Martin			
NSC Secretariat	2		staff EYES ONLY M AT LOCK
Situation Room			

I = Information

A = Action

R = Retain

D = Dispatch

N = No further Action

cc: VP Regan Buchanan Other

COMMENTS

Should be seen by:

(Date/Time)

Copy attached

THE SECRETARY OF STATE
WASHINGTON

90713

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June 25, 1985

MEMORANDUM FOR: THE PRESIDENT

FROM: George P. Shultz *GPS*

SUBJECT: My Meeting with Dobrynin June 24:
Gorbachev's Response on Interim Restraint

Dobrynin came in yesterday evening to deliver Gorbachev's response to your June 10 letter on interim restraint. His English translation and the original Russian text are attached. After looking through the letter, I commented that it seemed extremely contentious, but we would respond to it carefully in due course.

The letter is long and worth more analysis, but at first glance the main point seems to be that the Soviets will not recognize any right of ours to depart from the provisions of SALT II and other arms control agreements by unilateral decision. Most of the letter is a catalogue, written very much in Gromyko's style, of things we have done that make them suspicious that this is our real intention. The steps we have taken give them every right to break commitments, the letter says, but they have not done so in the hope that "sober reasoning" and US self-interest would bring more restraint from us, and this has happened "to a certain, though not to a full, extent." By implication, your interim restraint decision reflects such restraint, but they remain suspicious that they are being asked to agree we have a right to violate commitments in response to violations they deny having made. The letter denies in advance that we have any such right, and says they will wait and see how we act in the future: "It depends on the American side how things will shape up further, and we shall make the appropriate conclusions."

Dobrynin drew attention to the concluding paragraphs of the letter, where Gorbachev states that "arms limitation has been and will be the central issue both in our relations and as far as the further development of the entire international situation is concerned." Thus our two countries have a "special responsibility," he goes on to say, and they remain committed to working with us on a "solution to the central issues of security on the basis of equality and equal security." This is the strongest language on the importance of arms control and US-Soviet negotiations for the world generally that I have seen from the Soviets, and it suggests that we do in fact have a good deal of leverage in negotiations if we can maintain our strength and steadiness.

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Dobrynin had no other instructions, either on a meeting with you or anything else, but we had a relaxed exchange in which I made a number of points.

I noted there had been several occasions where we seemed on the verge of having things get better, and then something happened to throw us off course -- most recently, their shooting of Major Nicholson and their subsequent handling of the incident. It was a disturbing pattern. Looking at bilateral issues, we were not specific on any one, but agreed that with the right atmosphere there were a number of things that could be resolved easily. On regional issues, we agreed that not much had been accomplished in our talks, but that those on southern Africa had perhaps been more constructive than before. I was interested that he thought Afghanistan issues might well be pursued further. Perhaps things Rajiv Gandhi said here have registered in the Soviet Union. In connection with the Middle East, I brought up the hostage problem and called attention to the importance of Syria's role in Lebanon. He had nothing to say on Syria, but remarked that hijacking and hostage taking were outside the bounds of civilized behavior. I suggested that his government might say so.

In conclusion, we also discussed the upcoming meetings in Helsinki and the possibility of meetings here with Gromyko in the fall, as opportunities to move things along. He will be going back to Moscow for his summer leave next week, and I may have another conversation with him before that.

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Translation from the Russian

His Excellency
Ronald W. Reagan
President of the United States of America
Washington, D.C.

June 22, 1985

Dear Mr. President:

In connection with your letter of June 10, in which you outline the U.S. Government's decision on the SALT II Treaty made public the same day, I deem it necessary to express the viewpoint of the Soviet leadership on this matter.

I shall start by stating that your version of the past and present state of affairs in the key areas of Soviet-American relations, that of the limitation and reduction of strategic arms, cannot withstand comparison with the actual facts. Evidently, it was not by chance that you chose 1982 as your point of reference, the year when the American side declared its readiness to comply with the main provisions of the SALT II Treaty, unratified by the United States. Unfortunately, however, it was not this that determined the general course of your administration's policy and its practical actions with regard to strategic armaments.

It is hard to avoid the thought that a choice of a different kind had been made earlier, when it was stated outright that you did not consider yourself bound by the obligations assumed by your predecessors under agreements with the Soviet Union. This was perceived by others, and in the United States too, as repudiation of the arms limitations process and the search for agreements.

This was confirmed in practice: an intensive nuclear arms race was initiated in the United States. Precisely through this race, it would seem, and began to see and continues to see to this day the main means for achieving "prevailing" positions in the world under the guise of assuring U.S. national security.

In this sense, the few steps of the American side that you mentioned that went in a different direction and took account of the realities of today's world, are they not just temporary, "interim?"

It is not for the sake of polemics, but in order to restore the full picture of what has occurred, that I would like to return briefly to what has been done by the United States with regard to the current regime for strategic stability.

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Authority

BY

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One cannot dispute the fact that the American side created an ambiguous situation whereby the SALT II Treaty, one of the pillars of our relationship in the security sphere, was turned into a semi-functioning document that the U.S., moreover, is now threatening to nullify step by step. How can one then talk about predictability of conduct and assess with sufficient confidence the other side's intentions?

It is difficult to evaluate the damage done to our relationship and to international stability as a whole by your administration's decision to break off a process of negotiations that the USSR and the U.S. assumed a legal obligation to conduct. Such an obligation is contained in the very text of the SALT II Treaty, as well as in the accompanying "Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations on the Limitation of Strategic Arms."

The chain ensuring the viability of the process of curbing the arms race, put together through great effort, was consciously broken.

Today it is especially clear that this caused many promising opportunities to slip by, while some substantial elements of our relationship in this area were squandered.

The United States crossed a dangerous threshold when it preferred to cast aside the Protocol to the SALT II Treaty instead of immediately taking up, as was envisaged, the resolution of these issues which were dealt with in the Protocol. Those issues are of cardinal importance - the limitation and prohibition of entire classes of arms. It is no secret as to what guided the American side in taking this step: it wanted to gain an advantage by deploying long-range cruise missiles. As a result, already today one has to deal with thousands of such missiles. The U.S. sought to sharply tilt in its favor the fine-tuned balance of interests underlying the agreement. Now you see, I believe, that it did not work out this way. We too are deploying cruise missiles, which we had proposed to ban. But even now we are prepared to come to an agreement on such a ban, should the U.S., taking a realistic position, agree to take such an important step.

The deployment in Western Europe of new nuclear systems designed to perform strategic missions was a clear circumvention, that is non-compliance, by the American side with regard to the SALT II Treaty. In this, Mr. President, we see an attempt by the United States, taking advantage of geographic factors, to gain a virtual monopoly on the use weapons in a situation for which our country has no analogue. I know that on your side the need for some regional balance is sometimes cited. But even in

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- 3 -

that case it is incomprehensible why the U.S. refuses to resolve this issue in a manner which would establish in the zone of Europe a balance of medium-range missiles, whereby the USSR would not have more missiles and warheads on them than are currently in the possession of England and France. Such a formula would not infringe upon anyone's interests, whereas the distortion caused by the American missiles in Europe is not a balance at all.

In broader terms, all these violations by the United States of the regime for strategic stability have one common denominator: departure from the principle of equality and equal security. This and nothing else is the reason for the lack of progress in limiting and reducing nuclear arms over the past 4-5 years.

However, I would like you to have a clear understanding of the fact that, in practice, strategic parity between our countries will be maintained. We cannot envisage nor can we permit a different situation. The question, however, is at what level parity will be maintained -- at a decreasing or an increasing one. We are for the former, for the reduction in the level of strategic confrontation. Your government, by all indications, favors the latter, evidently hoping that at some stage the U.S. will ultimately succeed in getting ahead. This is the essence of the current situation.

Should one be surprised, then, that we are conducting negotiations, yet the process of practical arms limitation remains suspended? It would probably not be too great a misfortune if this process simply remained frozen. But even that is not the case. The "star wars" program -- I must tell you this, Mr. President -- already at this stage is seriously undermining stability. We strongly advise you to halt this sharply destabilizing and dangerous program while things have not gone too far. If the situation in this area is not corrected, we shall have no choice but to take steps required by our security and that of our allies.

We are in favor, as you say, of making the best use of the chance offered by the Geneva negotiations on nuclear and space arms. Our main objective at those negotiations should be to reestablish the suspended process of limiting the arms race and to prevent its spread into new spheres.

The SALT-II Treaty is an important element of the strategic equilibrium, and one should clearly understand its role as well as the fact that, according to the well-known expression, one cannot have one's pie and eat it too.

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- 4 -

Your approach is determined by the fact that the strategic programs being carried out by the United States are about to collide with the limitations established by the SALT II Treaty, and the choice is being made not in favor of the Treaty, but in favor of these programs. And this cannot be disavowed or concealed, to put it bluntly, by unseemly attempts to accuse the Soviet Union of all mortal sins. It is, moreover, completely inappropriate in relations between our two countries for one to set forth conditions for the another as is done in your letter with regard to the Soviet Union.

I am saying all this frankly and unequivocally, as we have agreed.

One certainly cannot agree that the provisions of the SALT II Treaty remain in force allegedly as the result of restraint on the part of the United States. Entirely the contrary. The general attitude toward the Treaty shown by the American side and its practical actions to undermine it have given us every reason to draw appropriate conclusions and to take practical steps. We did have and continue to have moral, legal and political grounds for that.

We did not, however, give way to emotions; we showed patience, realizing the seriousness of the consequences of the path onto which we were being pushed. We hoped also that sober reasoning, as well as the self-interest of the U.S., would make the American side take a more restrained position. That was what in fact happened to a certain, though not to a full, extent. And we have treated this in businesslike fashion. Without ignoring what has been done by the American side contrary to the SALT II Treaty, we nevertheless at no time have been the initiators of politico-propagandistic campaigns of charges and accusations. We have striven to discuss seriously within the framework of the SCC the well-founded concerns we have had. We also have given exhaustive answers there to questions raised by the American side.

Unfortunately, the behavior of the other side was and continues to be utterly different. All those endless reports on imaginary Soviet violations and their publication did not and cannot serve any useful purpose, if one is guided by the task of preserving and continuing the process of arms limitation. Why mince words, the objective is quite different: to cast aspersions on the policy of the Soviet Union in general, to sow distrust toward it and to create an artificial pretext for an accelerated and uncontrolled arms race. All this became evident to us already long ago.

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- 5 -

One has to note that your present decision, if it were to be implemented, would be a logical continuation of that course. We would like you, Mr. President, to think all this over once again.

In any event, we shall regard the decision that you announced in the entirety of its mutually-exclusive elements which, along with the usual measures required by the Treaty, include also a claim to some "right" to violate provisions of the Treaty as the American side chooses. Neither side has such a right. I do not consider it necessary to go into specifics here, a lot has been said about it, and your military experts are well aware of the actual, rather than distorted, state of affairs.

One should not count on the fact that we will be able to come to terms with you with respect to destroying the SALT II Treaty through joint efforts. How things will develop further depends on the American side, and we shall draw the appropriate conclusions.

The question of the approach to arms limitation has been, is, and will be the central issue both in our relations and as far as the further development of the overall international situation is concerned. It is precisely here, above all, that the special responsibility borne by our two countries is manifested, as well as how each of them approaches that responsibility.

In more specific terms, it is a question of intentions with regard to one other. No matter what is being done in other spheres of our relationship, in the final analysis, whether or not it is going to be constructive and stable depends above all on whether we are going to find a solution to the central issues of security on the basis of equality and equal security.

I would like to reaffirm that, for our part, we are full of resolve to strive to find such a solution. This determines both our attitude toward those initial limitations which were arrived at earlier through painstaking joint labor, and our approach to the negotiations currently underway in Geneva and elsewhere.

I wish to say this in conclusion: one would certainly like to feel tangibly the same attitude on the part of the United States. At any rate, as I have already had a chance to note, we took seriously the thought reiterated by you in our correspondence with regard to a joint search for ways to improve Soviet-American relations and to strengthen the foundations of peace.

Sincerely,

M. Gorbachev

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NATIONAL SECURITY COUNCIL

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June 27, 1985

INFORMATION

MEMORANDUM FOR ROBERT C. MCFARLANE

THROUGH: JOHN M. POINDEXTER

FROM: JACK MATLOCK *JW*

SUBJECT: Summit Venue and Current Soviet Propaganda

A few bits of information and scattered thoughts on the question of the summit venue:

1. Gorbachev's speech yesterday: His harsh rhetoric is particularly striking, in view of the conciliatory gestures in the meeting with Dobrynin last week. Also note that, according to press reports, he read this section from the prepared text, rather than delivering it ex temp as he did much of the rest of the speech. Speculation: Have the Soviets concluded that the President wants a meeting so much that they have the opportunity to intensify pressure for greater substantive give? It looks like this to me, and I must wonder if the quick suggestion for Geneva did not contribute to this.

2. Context of a Geneva Summit: Besides his plan to visit France in October, we are getting reports of Soviet probes to other European countries for Gorbachev visits, and also of attempts to arrange an address to the European Parliament. Suspicion: The Soviets may have in mind sandwiching a meeting with the President in between visits to other countries, and perhaps an address to the European Parliament, so that the summit can be played as incidental to a "triumphal" tour of Europe. Thus they would insulate Gorbachev from the imagery of a failed summit, and set up the President to look second best in comparison. (We can be sure that Gorbachev will not go to Bitburg, and also that the conservatives in the European Parliament are sufficiently civilized that they would not walk out on him.)

3. Gorbachev's Role in Foreign Policy: Mark Palmer told me of an interesting private conversation he had with Sokolov at Chautauqua day before last. (They were walking around the lake; in private, Sokolov can be rather frank.) He asked Sokolov if Dobrynin had grasped the significance of what was said to him last week. Sokolov said yes, he had, but that we should not expect a quick reaction from Moscow. He explained that, while Gorbachev is reading voraciously and getting briefed on foreign affairs, he has not really taken charge of it yet. He opined

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NARA, DATE 11/24/07

that Gorbachev would not do so until the time and place for a summit had been set, at which time he would focus "on Afghanistan and other issues," since he would have a personal stake in the outcome. Until the time and place is set, he suggested, it is probably useless for the U.S. to make suggestions for breaking deadlocks, because Moscow is simply unable to respond.

Implications: (1) Gromyko still is tying things up, but Gorbachev will have an interest in breaking out of the stalemate if a meeting is arranged; and (2) we should not be in a hurry to push new ideas, particularly with Gromyko.

Comment: The suggestion, from a Soviet diplomat, that we not waste our time at the moment being conciliatory is really astounding. It is very rare (though there are precedents) for a senior Soviet diplomat to suggest that the U.S. should act contrary to official Soviet policy demands. I can only infer that Sokolov senses that Gromyko's days as foreign policy tsar are numbered and is trying to position himself not to get burned in the fallout.

4. Summit Venue: The more I think through the question of what locale would provide the greatest pressure and incentive for Soviet concessions, the more I am convinced that the order of desirability from the U.S. standpoint is (1) Moscow and (2) Washington. As for a third country, I believe it far better not to have a meeting than to go there. I know this flies in the face of the President's current thinking, but I wonder if all the relevant factors have been called to his attention. I can write down the considerations which have brought me to this conclusion in more detail if you wish.

As possibly relevant, I would note that during my conversation with Suzanne Massie yesterday I asked her, putting the question abstractly, which locale for a meeting, in her opinion, is most propitious for the U.S., from the standpoint of Russian psychology. Her answer was unequivocally Moscow. She gave a number of reasons, the principal one being that the gesture alone would demolish the Soviet propaganda image of the President as a malign, threatening force, which would permit Gorbachev to play the meeting as a success without intense attention on who gave way on what point. It would also give Gorbachev and his immediate staff the bureaucratic grounds for taking charge of the visit. She also opined -- and I agree -- that a Gorbachev visit to the U.S. before the Party Congress next February carries great political risk for Gorbachev and predicted that he would be most reluctant to undertake it unless he was sure in advance of substantive concessions which he could tout as a "victory" upon his return. She thought that a meeting in a third country could be a "disaster," since Gromyko would be in a position to control most arrangements, and he is unlikely to have an interest in a productive meeting which Gorbachev could use to bolster his personal authority in foreign affairs. At the same time, the President would be burdened by a thousand or so

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journalists asking every minute on the minute for evidence of concrete results.

If you think it would be useful for the President to hear Suzanne's views on this, she of course would be delighted to come down to Washington again at any time.

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MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

June 27, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK MATLOCK *JW*

SUBJECT:

Secretary Block's Desire to Visit Soviet Union

You asked me to give some thought to Secretary Block's desire to visit Moscow in August. I have done so and have consulted with State/EUR.

I believe -- and EUR concurs -- that a visit by Secretary Block in August would be premature. It would be less than six weeks after the meeting of the Joint Agriculture Commission, which Amstutz headed, and a good bit less than a year since the Soviet Minister of Agriculture visited the U.S. Given current Soviet intransigence on a number of key issues, the continuing negotiations over the summit venue, and the fact that Shultz will be meeting Gromyko at the end of July with unpredictable results, I believe it would be unfortunate to display overeagerness in any particular area of the relationship. To propose minister-level visits more frequently than annually, and only weeks after a high-level meeting in the same area would, in my opinion, do just that. I would add parenthetically that I recognize that there are domestic political factors which are relevant, but I do not believe that seeming over eager to bolster our agricultural sales contributes even to Agriculture's interests.

For these reasons, I would recommend that you advise Secretary Block that a visit toward the end of the year or early next year (that is about a year after Minister Mesyats's visit here) would be more appropriate than one this August.

Recommendation:

That you telephone Secretary Block to suggest that he delay his plans to visit Moscow for a few months.

Approve _____

Disapprove _____

~~CONFIDENTIAL~~

Declassify: OADR

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NLRR M08-125/2 #7474

BY RW NARA DATE 1/11/12

MEMORANDUM

NATIONAL SECURITY COUNCIL

7475 FILE 11
5159 JHC
~~Matlock~~CONFIDENTIAL

June 27, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK MATLOCK *Jw*

SUBJECT:

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I believe -- and EUR concurs -- that a visit by Secretary Block in August would be premature. It would be less than six weeks after the meeting of the Joint Agriculture Commission, which Amstutz headed, and a good bit less than a year since the Soviet Minister of Agriculture visited the U.S. Given current Soviet intransigence on a number of key issues, the continuing negotiations over the summit venue, and the fact that Shultz will be meeting Gromyko at the end of July with unpredictable results, I believe it would be unfortunate to display overeagerness in any particular area of the relationship. To propose minister-level visits more frequently than annually, and only weeks after a high-level meeting in the same area would, in my opinion, do just that. I would add paranthetically that I recognize that there are domestic political factors which are relevant, but I do not believe that seeming over eager to bolster our agricultural sales contributes even to Agriculture's interests.

For these reasons, I would recommend that you advise Secretary Block that a visit toward the end of the year or early next year (that is about a year after Minister Mesyats's visit here) would be more appropriate than one this August.

Recommendation:

That you telephone Secretary Block to suggest that he delay his plans to visit Moscow for a few months. *I did but*

Approve ☐Disapprove ☐CONFIDENTIAL

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BY RW NARA DATE 1/11/12
GPS has already encouraged him to go.

THE WHITE HOUSE
WASHINGTON

NOI FOR SYSTEM

Eyes only

SENSITIVE

SENSITIVE

DDM. John Heindexter

Jack Matlock
Eyes Only

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UNCLASSIFIED UPON REVIEW
OF CLASSIFIED EDITION

CAS 6/18/02

PRESERVATION

ITEM RETURNED
TO NISC

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IN APRIL 1987

Log # 1985/400692

National Security Council
The White House

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	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	_____	_____	_____
William Martin	_____	_____	_____
John Poindexter	1	<i>[initials]</i>	_____
Paul Thompson	_____	_____	_____
Wilma Hall	_____	_____	_____
Bud McFarlane	2	<i>[initials]</i>	I
William Martin	_____	_____	_____
NSC Secretariat	4	_____	_____
Situation Room	_____	_____	_____
<i>JP</i>	3	<i>[initials]</i>	_____

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Regan Buchanan Other _____

COMMENTS

Should be seen by: _____
(Date/Time)

Return to Matlock.
Handcarry

NATIONAL SECURITY COUNCIL

~~SECRET/SENSITIVE/EYES ONLY~~

June 27, 1985

INFORMATION

MEMORANDUM FOR ROBERT C. MCFARLANE

THROUGH: JOHN M. POINDEXTER

FROM: JACK MATLOCK

SUBJECT: Summit Venue and Current Soviet Propaganda

A few bits of information and scattered thoughts on the question of the summit venue:

1. Gorbachev's speech yesterday: His harsh rhetoric is particularly striking, in view of the conciliatory gestures in the meeting with Dobrynin last week. Also note that, according to press reports, he read this section from the prepared text, rather than delivering it ex temp as he did much of the rest of the speech. Speculation: Have the Soviets concluded that the President wants a meeting so much that they have the opportunity to intensify pressure for greater substantive give? It looks like this to me, and I must wonder if the quick suggestion for Geneva did not contribute to this.

2. Context of a Geneva Summit: Besides his plan to visit France in October, we are getting reports of Soviet probes to other European countries for Gorbachev visits, and also of attempts to arrange an address to the European Parliament. Suspicion: The Soviets may have in mind sandwiching a meeting with the President in between visits to other countries, and perhaps an address to the European Parliament, so that the summit can be played as incidental to a "triumphal" tour of Europe. Thus they would insulate Gorbachev from the imagery of a failed summit, and set up the President to look second best in comparison. (We can be sure that Gorbachev will not go to Bitburg, and also that the conservatives in the European Parliament are sufficiently civilized that they would not walk out on him.)

3. Gorbachev's Role in Foreign Policy: Mark Palmer told me of an interesting private conversation he had with Sokolov at Chautauqua day before last. (They were walking around the lake; in private, Sokolov can be rather frank.) He asked Sokolov if Dobrynin had grasped the significance of what was said to him last week. Sokolov said yes, he had, but that we should not expect a quick reaction from Moscow. He explained that, while Gorbachev is reading voraciously and getting briefed on foreign affairs, he has not really taken charge of it yet. He opined

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BY 107 NARA DATE 11/24/07

that Gorbachev would not do so until the time and place for a summit had been set, at which time he would focus "on Afghanistan and other issues," since he would have a personal stake in the outcome. Until the time and place is set, he suggested, it is probably useless for the U.S. to make suggestions for breaking deadlocks, because Moscow is simply unable to respond.

Implications: (1) Gromyko still is tying things up, but Gorbachev will have an interest in breaking out of the stalemate if a meeting is arranged; and (2) we should not be in a hurry to push new ideas, particularly with Gromyko.

Comment: The suggestion, from a Soviet diplomat, that we not waste our time at the moment being conciliatory is really astounding. It is very rare (though there are precedents) for a senior Soviet diplomat to suggest that the U.S. should act contrary to official Soviet policy demands. I can only infer that Sokolov senses that Gromyko's days as foreign policy tsar are numbered and is trying to position himself not to get burned in the fallout.

4. Summit Venue: The more I think through the question of what locale would provide the greatest pressure and incentive for Soviet concessions, the more I am convinced that the order of desirability from the U.S. standpoint is (1) Moscow and (2) Washington. As for a third country, I believe it far better not to have a meeting than to go there. I know this flies in the face of the President's current thinking, but I wonder if all the relevant factors have been called to his attention. I can write down the considerations which have brought me to this conclusion in more detail if you wish.

As possibly relevant, I would note that during my conversation with Suzanne Massie yesterday I asked her, putting the question abstractly, which locale for a meeting, in her opinion, is most propitious for the U.S., from the standpoint of Russian psychology. Her answer was unequivocally Moscow. She gave a number of reasons, the principal one being that the gesture alone would demolish the Soviet propaganda image of the President as a malign, threatening force, which would permit Gorbachev to play the meeting as a success without intense attention on who gave way on what point. It would also give Gorbachev and his immediate staff the bureaucratic grounds for taking charge of the visit. She also opined -- and I agree -- that a Gorbachev visit to the U.S. before the Party Congress next February carries great political risk for Gorbachev and predicted that he would be most reluctant to undertake it unless he was sure in advance of substantive concessions which he could tout as a "victory" upon his return. She thought that a meeting in a third country could be a "disaster," since Gromyko would be in a position to control most arrangements, and he is unlikely to have an interest in a productive meeting which Gorbachev could use to bolster his personal authority in foreign affairs. At the same time, the President would be burdened by a thousand or so

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journalists asking every minute on the minute for evidence of concrete results.

If you think it would be useful for the President to hear Suzanne's views on this, she of course would be delighted to come down to Washington again at any time.

~~SECRET/SENSITIVE/EYES ONLY~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

June 27, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK MATLOCK *JM*

SUBJECT:

Secretary Block's Desire to Visit Soviet Union

You asked me to give some thought to Secretary Block's desire to visit Moscow in August. I have done so and have consulted with State/EUR.

I believe -- and EUR concurs -- that a visit by Secretary Block in August would be premature. It would be less than six weeks after the meeting of the Joint Agriculture Commission, which Amstutz headed, and a good bit less than a year since the Soviet Minister of Agriculture visited the U.S. Given current Soviet intransigence on a number of key issues, the continuing negotiations over the summit venue, and the fact that Shultz will be meeting Gromyko at the end of July with unpredictable results, I believe it would be unfortunate to display overeagerness in any particular area of the relationship. To propose minister-level visits more frequently than annually, and only weeks after a high-level meeting in the same area would, in my opinion, do just that. I would add parenthetically that I recognize that there are domestic political factors which are relevant, but I do not believe that seeming over eager to bolster our agricultural sales contributes even to Agriculture's interests.

For these reasons, I would recommend that you advise Secretary Block that a visit toward the end of the year or early next year (that is about a year after Minister Mesyats's visit here) would be more appropriate than one this August.

Recommendation:

That you telephone Secretary Block to suggest that he delay his plans to visit Moscow for a few months.

Approve ____

Disapprove ____

~~CONFIDENTIAL~~

Declassify: OADR

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NLRR M08-25/2 #7477

BY RW NARA DATE 1/11/12

MEMORANDUM

NATIONAL SECURITY COUNCIL

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June 28, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK MATLOCK *JM*

SUBJECT:

CIA Paper on "Gorbachev, the New Broom"

Bill Casey has supplied, for the President's reading, a well-written paper on Gorbachev's first hundred days in office. Although I received the paper after the President's departure for Chicago today, I believe it is very appropriate for weekend reading.

Recommendation:

That you forward the paper at Tab A to the President.

Approve ____

Disapprove ____

Attachments:

Tab I Memorandum to the President

Tab A Memorandum from DCI Casey with the paper entitled
"Gorbachev, the New Broom"

DECLASSIFIED

NLRR FOI-114/2 #7478

BY KML NARA DATE 11/23/11

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THE WHITE HOUSE
WASHINGTON7479
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24~~SECRET/SENSITIVE~~INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE
SUBJECT: CIA Paper on Gorbachev's First Hundred Days

Bill Casey has sent over the attached study of Gorbachev's activities during his first hundred days in power. I think you will find it interesting reading.

Attachment:

Tab A - Memorandum from DCI Casey with paper entitled,
"Gorbachev, the New Broom"

Prepared by:
Jack F. Matlock

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BY RW NARA DATE 8/17/11

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TO PRESIDENT

FROM CASEY, W

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NLRR M08-125/2# 7480

BY RW NARA DATE 8/17/11

KEYWORDS: USSR

SUBJECT: GORBACHEV THE NEW BROOM

ACTION: MEMO MCFARLANE TO PRES

DUE: 28 JUN 85 STATUS S FILES SII

FOR ACTION

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FOR INFO

MATLOCK

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National Security Council
The White House

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Bob Pearson			
William Martin	1	WFM	
John Poindexter	2	J	
Paul Thompson			
Wilma Hall			
Bud McFarlane			
William Martin	3		A
NSC Secretariat	4	Please staff to	Jack A: <i>mat</i>
Situation Room		just for a cover memo	J

I = Information A = Action R = Retain D = Dispatch N = No further Action

cc: VP Regan Buchanan Other _____

COMMENTS

Should be seen by: _____
(Date/Time)

Bud may wish to take on
Chicago trip and provide to
President per Casey's suggestion

27 June 1985

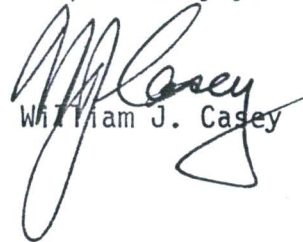
Dear Mr. President,

You may find this good airplane reading.

It is a good picture of Gorbachev's style, objectives and operating methods as shown in the first 100 days of his leadership.

You will sympathize with his targetting the massive bureaucratic apparatus, which, he complains, implements Central Committee decisions so that after they are finished "nothing is left."

Respectfully yours,


William J. Casey

The President
The White House
Washington, D. C. 20500

DECLASSIFIED

NLRR FDG-114/2#7481

BY RWJ NARA DATE 5/26/11

135816
E.O. 12958
As Amended
Sec. 3.5(c)(d)

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

JUNE 1985

Gorbachev, the New Broom

Summary

Gorbachev has demonstrated in his first 100 days that he is the most aggressive and activist Soviet leader since Khrushchev. He is willing to take controversial and even unpopular decisions--like the antialcohol campaign--and to break with recent precedent by criticizing the actions of his colleagues on the Politburo. []

He has thrown down the gauntlet on issues as controversial as the allocation of investment, broadgauged management reform, and purging the system of incompetent and corrupt officials. The very insistence of his rhetoric allows little room for compromise or retreat. []

Gorbachev is gambling that an attack on corruption and inefficiency, not radical reform, will turn the domestic situation around. While a risky course, his prospects for success should not be underestimated. Although his approach is controversial, his near term prospects look good. Unlike his immediate predecessors, he has already managed to firm up his base of support in the Politburo and Secretariat. He can also count on some support from middle level officials of the bureaucracy who were frustrated by the stagnation of the Brezhnev era. The public as well has responded favorably to his style, judging by initial reaction

This paper was prepared by [] of the Office of Soviet Analysis.
Comments and questions may be directed to the Chief, []
[]

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BY RW NARA DATE 8/17/11

filtering back through Western sources. His aggressiveness has placed the opposition on the defensive. His opponents are probably biding their time hoping he makes a major misstep. [REDACTED] 50

Gorbachev's Style

Gorbachev has moved to draw a sharp contrast in style to his recent predecessors, who treated the bureaucracy gingerly and approached change cautiously. Brezhnev and Chernenko voiced concern about the deepening economic and morale problems in the country, but they were not prepared to confront the bureaucracies standing in the way of solutions. Brezhnev's solicitous attitude toward the bureaucracy limited the power of his office as officials came to believe they had lifetime tenure. Andropov moved to break this mold, but he was handicapped by his poor health and the lingering presence of Brezhnevites, including Chernenko and Premier Tikhonov. Learning from Andropov's experience, Gorbachev has consciously created an environment of urgency and made clear he intends to confront problems. [REDACTED]

Gorbachev's populist style has not been seen since Khrushchev's frequent forays among the public and bare knuckles approach to dealing with the bureaucracy:

- He has visited factories in Moscow and Leningrad and found other opportunities to rub shoulders with workers in an effort to burnish his image as a man of the people. Soviet television has highlighted his easy give-and-take with ordinary citizens. -
- He is carefully managing public relations. [REDACTED]

- Gorbachev has also moved his wife Raisa into the spotlight. She has appeared in the Soviet press and on television, [REDACTED]

While these traits mark Gorbachev as an unconventional Soviet politician, it is his no-holds-barred approach to confronting chronic domestic problems that underscores his new style as a leader. Gorbachev may feel that an aggressive approach is essential if he is to avoid getting bogged down like

41
Andropov. A wide spectrum of Soviet officials complained of drift and corruption under Brezhnev and became discouraged when Andropov's ill health caused his initiatives to lose momentum. They provide a well-spring of potential support for Gorbachev's approach:

- He has instituted a sweeping crackdown on the deep-rooted problem of alcoholism, [REDACTED]
[REDACTED]
- He criticized his Politburo colleagues in public during his visit to Leningrad, terming their recent decision on the allocation of land for private plots inadequate and dismissing objections apparently raised by his colleagues.
- He has assailed ministers by name for lack of innovation, laziness, and poor management and has strongly implied that they will be removed. He has attacked the complacent attitude toward corruption within the party bureaucracy and called for promotion of younger and more competent officials at all levels. While such rhetoric is not new in itself, he has already underscored his intention to back up his tough rhetoric with dismissals by sacking some middle-level officials.

-- [REDACTED]

Gorbachev has made it clear that he believes his policies are justified by the growing foreign and domestic problems facing the USSR:

- He has studied his speeches with language that evokes the image of a crisis, and suggested that the USSR is now at a turning point. [REDACTED]
he has decided to raise Russian national consciousness and to impose "super-enforcement" of order and discipline.
- At the April Central Committee plenum, he was sharply critical of the economic laxity under Brezhnev and the failure to follow through on decisions which had been taken by the leadership.
- In his speech to the S&T conference in early June, he warned that accelerated economic growth was an imperative due to the need to sustain current levels of consumption

while making the investments in defense required by current international tensions. [REDACTED] 52

Consolidating Power

Gorbachev is using time honored methods for building his power, advancing his allies into key leadership positions, but he is off to a faster start than any of his recent predecessors. More changes are likely soon:

- By advancing three allies to full Politburo membership in April he has probably achieved a working majority on most issues.
- The designation of Yegor Ligachev--one of the three promoted--as unofficial "second secretary" isolated his major rival, Secretary Grigoriy Romanov, who has been nearly invisible politically. [REDACTED]
- KGB boss Chebrikov--who was also promoted--appears to be another close ally, giving the General Secretary an important advantage in exerting political pressure against would-be Politburo opponents, most of whom are tainted by corruption.
- Gorbachev also placed a younger protege in charge of the department that oversees personnel appointments, further consolidating his control over personnel policy and setting the groundwork for potentially sweeping personnel changes preceding next February's party congress. He is off to a fast pace in replacing his opponents in the bureaucracy. He has retired one deputy premier and three ministers, and named nine new regional party bosses and three new Central Committee department heads. [REDACTED]

Domestic Strategy

Using his strong political position, Gorbachev's first priority is to push his domestic economic program. While some Soviet officials have indicated he is sympathetic to the use of pragmatic methods, including tapping private initiative, his statements and actions underscore his overall commitment to the current economic system and his determination to make it work better. Having acknowledged the gravity of the economic problem, Gorbachev exudes an optimism that he and his team can eliminate waste, tighten discipline, increase the quality and quantity of production, and accelerate economic growth. While expressing great pride in the historical accomplishments of central planning, he has sharply criticized its recent performance, and called for

"revolutionary" changes in the way the system works. [redacted] 63

His first priority fix is to reduce waste and tighten discipline, particularly among managers:

- Gorbachev has cited cases of such waste, such as the 20 percent loss of the harvest. Figures published in the Soviet press indicate Andropov's discipline campaign has reduced losses in working time about 20 percent, and Ukrainian party boss Shcherbitskiy recently announced that the campaign had saved several hundred million rubles. Gorbachev probably hopes to squeeze out similar resources.
- Soviet officials indicate that Gorbachev has reinvigorated Andropov's discipline campaign. [redacted]
[redacted] Gorbachev has reinitiated document checks and crackdowns on drunks and deadbeats, even threatening to fire managers who have failed to correct such problems among their workers.
- His speeches indicate he will extend earlier efforts to tie pay more closely to productivity both for workers and managers, not only rewarding good workers but penalizing--perhaps even docking the salaries--of poor performers. [redacted]
[redacted]

Building from a base of improved worker discipline and management effectiveness, Gorbachev hopes to further boost long-term growth entail a modernization of the capital base by increased investment in machine-building and retooling existing factories. While the effects of this approach will not be felt for some time, he has remanded the draft Five-Year Plan for 1986-90 to redirect it toward growth based on increased productivity rather than expanded resources. More specifically:

- He has called for investment in modernizing factories to be increased from 1/3 to 1/2 of investment,* and demanded that investment and output in civilian machine-building be doubled. He even called for "mothballing" some new construction projects, as an unusually candid admission of a major Soviet problem in the construction sector. His stress on conservation rather than increased output of raw materials also indicates a heightened emphasis in this area. [redacted]

*Soviet bureaucrats, both ministerial and party, have traditionally called for new construction. Such projects have been doled out to satisfy local lobbies like pork barrel projects. In his S&T conference speech, Gorbachev condemned this approach and insisted on focusing investment on where it was needed most.

54

Beyond this, he has been less specific on other economic initiatives, but his statements suggests he may intend to press even more controversial policies touching of the powers of the bureaucracy:

- His public statements suggests he wants to amalgamate ministries and redirect them and the State Planning Committee (Gosplan) away from day-to-day management decisions.
- He would like to see greater autonomy for plant managers and will probably push for reduction of centrally dictated indicators.
- He has criticized intermediate management bodies that choke off initiative, hinting that they should be streamlined or eliminated. His aim is to eliminate some of the massive bureaucratic apparatus that, as he complained in his speech to the S&T conference, implements Central Committee decisions in such a manner that after they are finished "nothing is left of these principles."
- He may advocate legalizing some parts of the "second economy" and allow a limited expansion of the role of private agriculture, despite potential ideological opposition. He hinted at this in his Leningrad speech in May. Gorbachev may feel some limited concessions--like tolerating private repairmen or allowing greater access to summer gardens for urban dwellers--could help improve the quality of life without undermining the system or forcing a showdown with ideological purists in the elite who have traditionally have resisted such steps.

Foreign Policy

Gorbachev's impact on foreign policy has so far been mostly stylistic. He has revealed no urgent agenda to match his determination to accelerate economic growth at home. Some of his gambits--like the INF moratorium--are stable leftovers from his predecessor. His immediate goal has apparently been to demonstrate to both allies and adversaries that there is now a strong and active leader in the Kremlin. Despite the press of domestic business, Gorbachev has received a steady stream of European and Third World leaders. He has been more activist than his immediate predecessors and will reportedly embark soon on a vigorous schedule of personal diplomacy and foreign trips. He is slated to travel to Paris in October for meetings with Mitterrand and he may visit India later this year.

Although he has not yet made any serious new initiative toward the US, he has already made his presence felt on Soviet

policy. He reportedly ratified the return to the bargaining table in Geneva even before Chernenko's death in March. He softened Soviet conditions for a summit with President Reagan soon after entering office. Since then, he has apparently sanctioned the recent expansion of bilateral exchanges and met with several US delegations. [REDACTED]

In public statements and private discussions, however, Gorbachev is clearly intent on presenting [REDACTED] a tough hardline image abroad and convincing American policymakers that bilateral relations will improve only if US policy changes. He and his colleagues evidently do not believe an early improvement in relations is likely:

-- A variety of sources make clear Gorbachev will concentrate on cultivating an image of strength, not conciliation.

-- [REDACTED]

-- [REDACTED]

-- In talks with American visitors he has bristled at efforts to raise human rights issues, demanded that the US not take a "carrot and stick" approach, and insisted that Soviet leaders will be ready to deal only when the US starts treating the USSR as an equal.

-- Moscow's more recent decision to play hard to get on a summit dovetails with this strategy. [REDACTED]

[REDACTED] --claim Gorbachev will expand previous Soviet efforts to drive wedges between the US and our allies. He has already spoken publicly of a "community of interest" between the USSR and Western Europe, met with a series of European leaders, and indicated that Moscow is now prepared to establish political relations with the European Community:

-- [REDACTED]

Gorbachev has also taken a tough line within the Warsaw Pact, reportedly sending ripples of concern through the more Brezhnevite regimes, such as Czechoslovakia. His public

~~SECRET~~ [redacted]

statements have stressed the need for bloc unity and closer economic integration. [redacted] 56

[redacted] claimed that Gorbachev's tough guy attitude was meant not only for the West but to signal to allies that he is not to be trifled with. [redacted]

Gorbachev's early actions have also signaled strong support for allies in Afghanistan and Central America:

- Soviet forces in Afghanistan continue to pursue the more aggressive military approach that we began to see last year.
- He met Nicaraguan leader Ortega only days after the US Congress turned down the President's original request for aid to the Contras and pledged increased oil deliveries to bolster the regime. [redacted]

Opposition to Gorbachev's Juggernaut?

Opposition to Gorbachev for now appears disorganized. The old guard in the Politburo--such as Premier Tikhonov, Moscow party boss Grishin or republic bosses Shcherbitskiy and Kunayev--are probably on the defensive due to charges of mismanagement or corruption in their organizations. Secretary Romanov, a potential focus for opposition, has been outflanked by Gorbachev's personnel moves and probably is no longer an effective rallying point. [redacted]

As a result, those threatened by Gorbachev at the Central Committee level lack an effective spokesman. While they can resist by footdragging on his policies, he can probably remove them if they don't appear to be falling into line. Many elderly Brezhnev-era holdovers may well find it easier to retire than fight. [redacted]

Despite his strong position, Gorbachev does not have an entirely free hand. Other Politburo members can still slow up his initiatives. Independents or even allies might balk at some aspects of Gorbachev's freewheeling style. There are some signs, moreover, that Gorbachev's initiatives have already been watered down or met resistance:

- Judging from his remarks in Leningrad, the Politburo rejected his more far reaching proposals for expansion of garden plots, evidently on the grounds that this amounts to encouraging private enterprise.

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- Some evidence suggests that the timing of a US-Soviet summit has become entangled in leadership politics.
-

Soviet media treatment of Gorbachev's speeches suggests that his policy agenda is meeting some high-level resistance:

- Press versions of Gorbachev's speech in Leningrad toned down his criticism of the Politburo decision on extending the private plots.
- Published versions also eliminated references to Gorbachev's personal sponsorship or support of economic reform initiatives.
- On some occasions, the media have published full accounts of his speeches only after a delay of several days.

Nonetheless, the strength of Gorbachev's position suggests that his detractors will have to wait until he makes a major misstep or overreaches on a controversial issue in order to give them an opportunity to coalesce. The real test may come when evidence begins to roll in on the success or failure of his program.

~~SECRET~~

Can Gorbachev Succeed Where Khrushchev Failed?

Gorbachev's efforts to force greater efficiency out of the system is still a risky gamble, despite the disorganized state of resistance. Khrushchev, for instance, succeeded for nearly ten years in keeping the opposition on the defensive through endless reorganizations and campaigns, but eventually he alienated his own supporters. Khrushchev's approach was so helter skelter that the bureaucrats often could not discern what he really wanted them to do.

Having witnessed Khrushchev's mistakes, Gorbachev's signals are likely to be much clearer and more consistent. Yet, a number of these clear signals are likely to produce resistance. Gorbachev's investment strategy may cause him the most problems with the bureaucracy. The allocation of investment is closely tied to the power of officialdom, who can dole out "pork barrel" projects as a kind of political payment for loyalty. By sharply reducing investment funds in some sectors and requiring a new approach to management, moreover, Gorbachev's approach is bound to alienate many in the bureaucracy upon whom he must depend for policy implementation. While he can use the power of hiring and firing to discipline this group, such an approach--as Khrushchev discovered--potentially has its cost in terms of production and political support.

Gorbachev's call for faster economic growth may also come back to haunt him. Efforts to reconstruct existing factories may lead to declining output at a time when he is proposing a return to higher economic growth rates. While his four percent growth prediction for the next Five Year Plan may not be entirely out of reach, it forces managers into the position of choosing between increasing output and reequipping their factories. Massive shifts in investment priorities could also create bottlenecks and disruptions in the economy. For instance, shifting resources from energy extraction--at a time when both coal and oil output is declining--to the production of more energy efficient machinery might exacerbate the energy balance in the short term.

Gorbachev will have to carefully calibrate his policies in order to avoid pitfalls in a system where emphasizing specific priorities at the top frequently translates into slackened effort on other areas. The prospects for a radical reorientation of Soviet managers toward quality rather than quantity are also not good--it runs counter to the approach of the last 55 years. But, Andropov's experience demonstrated that a concerted effort on management discipline--backed by the threat of firing--can probably have beneficial effects.

Looking Ahead

With the urgent rhetoric and ambitious agenda he has set so

far, Gorbachev will be under the gun to show continuing evidence of momentum or else risk allowing potential opponents to draw together and work against him. []

Consolidating power. Gorbachev is likely to be elected President at next week's Supreme Soviet session. He might also advance other allies into junior slots in the leadership at a plenum preceding the Supreme Soviet. Gorbachev will almost certainly use the party elections campaign before the party congress next year to replace many Brezhnev holdovers among regional party and government leaders. Party Secretary Romanov, once Gorbachev's major rival, is already in decline, and a recent smear campaign linking him to Gorbachev's opponents may be intended to pave the way for his removal. []

Gorbachev will continue to oust symbols of the Brezhnev old guard in the economic bureaucracy. The ministers he named at the S&T conference are almost certain to go. Gorbachev's attacks on the ministries have made Premier Tikhonov's position increasingly untenable, and he could be gracefully eased out even before the party congress. The retirement of Gosplan chief Baybakov, a symbol of resistance to change since the Brezhnev era, would send a strong message to the bureaucracy. []

Domestic Agenda. If Gorbachev wants to signal a new tone, he could defer the traditional summer vacation and work on getting the draft Five Year Plan and party program in shape for the congress. The draft program might be unveiled at the next plenum and should certainly echo his themes of increased discipline and technological progress. When the draft of the economic plan is made public, it should reflect his demands for increased economic growth rates and a new investment strategy. []

He could also make additional forays outside of Moscow to demonstrate his leadership and activism. He is currently visiting the Ukrainian capital Kiev and might undertake a visit to somewhere in Siberia to further increase his exposure. He could use these trips to keep up the rhetorical pressure on the economic bureaucrats. []

Foreign Policy. We will probably begin to see a growing Gorbachev impact on foreign policy. Gromyko's influence will decline further from its high point in the Chernenko regime. A meeting with President Reagan would also burnish his image as a statesman, and an early move by Moscow to arrange a summit cannot be ruled out. []

His activism may also be reflected in bolder efforts to put pressure on current US policy. We could, for example, see more skillful attempts to woo Tokyo by exploiting trade frictions between the US and Japan, or a symbolic gesture toward Beijing designed to disrupt Sino-US relations. New initiatives to undermine NATO cooperation on SDI and COCOM restrictions are also

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likely.

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BOX

Signals of Setback for Gorbachev

Opponents will be looking for opportunities to slow Gorbachev's momentum. An early indicator of political difficulties would be his failure to get the Presidency. While there may be reasons for a General Secretary to delay assumption of the Presidency--Andropov may have for instance--Gorbachev would have to consider the cost of losing political momentum, especially when he so clearly linked the offices of General Secretary and President in nominating Chernenko as chief of state last year. [REDACTED]

-- [REDACTED]

[REDACTED] On balance, however, Gorbachev would probably still benefit more from holding both posts, and it would facilitate his enagement in personal summitry with foreign heads of state. [REDACTED]

Another sign of resistance would be delays in the publication of the draft Five Year Plan or party program or the failure of the drafts to show new approaches to economic and social policy. If Gorbachev fails to follow up on his tough rhetoric by firing the ministers he has criticized, it would be widely read in the USSR as a setback. He has made personnel turnover a major issue, and failure to make changes in the top echelon of the party and ministries would signify that his Politburo colleagues are unwilling to go along. [REDACTED]

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