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MEMORANDUM FOR: Richard Kerr
Deputy Director for Intelligence

FROM: Douglas J. MacEachin
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SUBJECT: Leadership Situation in the USSR

1. The increasingly volatile situation in the USSR makes an already difficult analytical problem even more uncertain. On the one hand, forecasts of impending political crisis for Gorbachev--particularly given the great political skills he has demonstrated to date--run the risk of being perceived as alarmist. Yet his radical program is placing such enormous stress on the Soviet system, damaging the vested interests of so many powerful institutional elites, and creating such a high degree of tension in society as a whole that failure to call attention to the potential for leadership conflict to come to a head would reflect a gravely unjustified complacency.

2. This memorandum lays out the factors that account for our unease about our ability to forecast developments in the Soviet leadership. It was drafted by _____, Chief _____ Division, but it reflects the views of our cadre of senior Kremlin watchers as a whole. We are loath to assign probabilities to various scenarios, and our analysts do not agree among themselves about whether a showdown will take place, much less about who will triumph if it does. Academic Sovietologists are equally uncertain about these questions.

3. Given the importance that a leadership upheaval could have for US national interests, if you agree with this assessment you may want to forward the memo to the DCI with a recommendation that he consider passing it on to key policymakers.

Douglas J. MacEachin

Attachment:

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Prospects for a Leadership Crisis

The renewal of large-scale unrest in the Caucasus comes at a time when Gorbachev is beleaguered with mounting economic problems and growing political opposition to his policies. He has had some recent successes in moving his reform agenda forward, but his very successes are alienating many elites at all levels of the system. There is a good chance that Gorbachev will accommodate his Politburo critics by backing off from some of his radical proposals for change. Given the depth of divisions in the Politburo, however, there are increasing prospects that conflict will come to a head. Neither the timing nor the outcome of such a confrontation are possible to predict with any precision. The leadership appears to be pulling together to bring the current crisis situation in the Caucasus under control, but the conflagration there could lead to further polarization within the leadership that will later result in a denouement.

A sizeable portion of the Soviet Politburo--including Ligachev, Chebrikov, Solomentsev, Gromyko, and Shcherbitskiy--have good reason for wanting to be rid of Gorbachev. There appear to be differences among these leaders on some policy issues and they do not necessarily constitute a cohesive coalition at present. But all of them must feel personally threatened by Gorbachev's plans and they now seem to share a belief that the Gorbachev "cure" for the USSR is worse than the "disease;" they fear his program will erode the old foundations of party rule before solid new foundations are built.

The burgeoning of nationality unrest has been a key factor leading some of Gorbachev's Politburo peers to conclude that his overall strategy in domestic policy is fundamentally flawed. In addition to the breakdown of order in Armenia and Azerbaijan and an acute situation in the Baltic, demonstrations took place last week in Georgia and last month in the Ukraine--the largest and most important non-Russian republic.

it is abundantly clear to nationality grievances.

Ideologically orthodox leaders are undoubtedly repelled by a policy toward the Baltic republics that smacks of appeasement, however hard Gorbachev may attempt to portray concessions to national interests there as necessary to coopt moderates and head off a lurch toward separatism. Strong backlash sentiment is growing among conservative Russian nationalists, and Ligachev is acting as their champion.

Elsewhere in the Bloc, conservative leaders are concerned that Gorbachev's policies will complicate political control problems. In particular, the public pressure that the Soviet regime recently exerted on the Poles to take a softer line in dealing with Solidarity makes Gorbachev open to accusations of adopting a capitulatory stance that will encourage opposition activity. One

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itca in the bill of indictment against Khrushchev was that his policies were antagonizing conservative East European regimes. If the situation in Poland should continue to degenerate--or if the situation should get out of control of the authorities in any of the East European countries--it would now be a powerful weapon in the hand of Gorbachev's opponents.

Much of the Soviet party bureaucracy is up in arms over Gorbachev's attack on their privileges, his drive to cut back the size of the apparatus, and his effort to infuse the elite with new blood by opening up the election process somewhat. Some special stores for the elite were closed in early September. If the procedures used in recently concluded elections at the lowest rung of the party are followed in the upcoming regional elections, officials at that level face the prospect of losing their sinecures to secret ballots and competition from rival candidates in many cases. Moreover, a party spokesman said recently that the number of officials working in the CPSU Central Committee apparatus would be slashed by half, and similar reductions are planned for the republics. In this environment, many party officials look to Ligachev as their protector.

The trial of Brezhnev's son-in-law Churbanov, and the accompanying escalation of media condemnation of the Brezhnev leadership, is a major source of disquietude for members of the Brezhnev Old Guard still on the Politburo. Reformers at the June Party Conference attacked Gromyko and Solomentsev by name and a liberal Soviet journalist recently criticized Shcherbitskiy in an interview with a European newsman. A scathing critique of Brezhnev published in September in Literary Gazette openly acknowledged that Brezhnev was in effect a surrogate for leaders who are still in office.

A media campaign directed against excessive secrecy on the part of the KGB has undoubtedly brought home to Chebrikov that he is on Gorbachev's hit list as well. Since his Dzerzhinskiy Day speech a year ago made clear that Chebrikov had thrown in his lot with Ligachev, Chebrikov has looked for opportunities to cast aspersions on Gorbachev's policies. Most recently, in an August interview, he challenged the ideological underpinnings of Gorbachev's foreign policy and let it be known that the glasnost he favors takes the form of publicizing information about subversive activities of Western intelligence services inside the USSR. We believe that Chebrikov would almost certainly participate in any leadership coup against Gorbachev that he thought had a reasonably good chance of succeeding.

Gorbachev appears to have reached something of a modus vivendi with the military, and media pillorying of the military has virtually stopped. Both General Staff Chief Akhromeyev and Defense Minister Yazov have actively supported his arms control strategy so far.

Gorbachev has also provided ammunition to opponents eager to portray him as a leader with an inflated ego, excessive personal ambition, a tendency to make highhanded decisions, and a penchant for demagogic behavior. Some Soviet officials view his walkabouts as unseemly efforts to imitate the self-promotion techniques of Western politicians. Eyebrows have been raised by the limelight accorded Raisa as the Soviet "First Lady." Gorbachev's efforts to please the crowd by bashing the bureaucracy do not endear him to the nomenklatura. Many Soviets regard Gorbachev's proposal to combine the top state and party jobs as a blatant power grab; even Gorbachev admirers such as Roy Medvedev were reminded of Khrushchev's "harebrained schemes."

On the economic reform front, Gorbachev has scored some recent victories in terms of preparing the way for getting approval of desired legislation--for example, reduce state orders for enterprises and to reject high tax rates for cooperatives. He has made major new proposals for agricultural reform--especially the use of long-term leasing arrangements to expand the scope of private initiative in farming. Yet implementation of reforms already adopted proceeds slowly, and major economic actors feel threatened by them. Most factory managers fear they will sink if forced to sink or swim. Most of the powerful ministerial bureaucracy resents being left with considerable responsibility but reduced authority. Most of the industrial working class fears the loss of guaranteed job benefits and security.

Gorbachev so far has not achieved any significant improvement in the overall economic situation, and there is a widespread perception that living conditions are deteriorating. The General Secretary is trying to reach out to new constituencies to counter elite resistance to his program, and there is no question that he has caught the imagination of many patriotic, enterprising citizens at all levels of the society--people who believe they and the country will benefit from a more competitive economic environment and a less repressive political system. But growing distress over the standard of living is reducing the attractiveness of perestroika even for this "strong" minority of the population. Gorbachev has evidently succeeded in winning approval for a diversion of resources to the consumer sector in the annual plan. At this point, however, the only major element of the population enthusiastically behind his reform program is the intelligentsia. Even if he is able to build a broader popular base of support, his ability to mobilize this diffuse support very effectively will be limited until reforms that expand participation in the political process are implemented.

On the plus side, Gorbachev continues to enjoy major political advantages. As General Secretary, he has been able to dominate the policy agenda and pack the Secretariat with supporters. Although he has had more difficulty making changes in the Politburo, he does have powerful allies in that body--including Yakovlev and Shevardnadze--as well as less reliable backing from a number of members who have found it politically expedient so far to follow his lead.

The most important source of his strength has been a leadership consensus that a new course for the country is necessary to avoid economic stagnation, the decline of the USSR as a global power, and a growth in societal alienation that could produce political instability down the road. Gorbachev has succeeded in preventing any other member of the political leadership from fully articulating a program that could serve as a viable alternative to his course, and by now the old Brezhnev order has been so thoroughly discredited that turning back the clock very far would be extremely difficult. Moreover, considering how much turmoil exists in the country today and how much the public's respect for the regime's will and ability to use coercion has diminished, many leaders may fear that attempting to remove Gorbachev could touch off widespread unrest. Finally, even his opponents realize that Gorbachev has had enormous success in foreign policy, managing to blur if not to obliterate the USSR's "enemy image" in the West, and that removing him could undo much of what has been achieved internationally. Nevertheless, these strengths do not guarantee the success of his policies or his ability to retain his office if the perception of serious disorder and misbegotten policies continues.

The problems facing Gorbachev are so serious that he may well take the course of political accommodation. He cannot compromise too far on fundamental parts of his program without causing an overall loss of momentum and the beginning of a process of piecemeal political defeat. But he is not a Yeltsin; he has shown a capacity for tactical retreat in the face of strong resistance, and a preference at times for political maneuver over direct confrontation.

On balance, however, we believe there is a greater chance that events will move toward a dramatic resolution. Politburo members appear to have closed ranks in dealing with the situation in the Caucasus, which poses an unprecedented challenge for the leadership as a whole. But over the next year, given the key positions held by some of the leaders opposing Gorbachev, the fact that a large portion of the Central Committee shares their fears and concerns, and the existence of reservations about Gorbachev within the KGB and military establishment, there is a good chance that they will move against Gorbachev or that Gorbachev himself will risk a preemptive move to consolidate his power. Any showdown at this level, in the midst of such a volatile political situation, would carry grave risks for all involved. It could involve Gorbachev's removal from his position but it could also result in his resounding success--similar to Khrushchev's expulsion of the "anti-party group" in 1957.