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REVIEW OF SOVIET INTERNAL AFFAIRS

Domestic Politics

March and April saw Brezhnev monopolize center stage, addressing major domestic and foreign policy problems in a way calculated to show the world at large, including perhaps some would-be pretenders to his throne, that he is not a lame duck. As has been the case since the Party leader resumed a full work schedule in late January, his health never appeared to present any real problem for him, [

] Indeed, by carefully pacing his activities, Brezhnev managed to project the image of a relatively vigorous 71-year-old with little need or desire to delegate important domestic and foreign business to his colleagues.

Brezhnev's Trans-Siberian Trip

The highlight of the period was the General Secretary's journey by rail in late March and early April, accompanied by Defense Minister Ustinov and several lesser officials, to remote areas of strategic economic and military importance in Siberia and the Far East. Our views on the various purposes of the 12-day trip were set forth in some detail in a recent memorandum [

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In brief, the trip seemed intended primarily to demonstrate both at home and abroad that Brezhnev could play a vigorous leadership role. In addition, it served to underscore the Party leader's connections with and support from the Soviet military and afforded him a chance to make first-hand observations on the economic problems and opportunities in these areas, as well as to review combat readiness of forces positioned to counter any threat from China.

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Other external factors appear to have influenced the way Brezhnev and his colleagues conducted themselves during this period. For example, West German frustration over Brezhnev's repeated postponement of a visit to the FRG found expression in statements which may have provided an added impetus for Brezhnev finally to move ahead with this expression of detente policies at work. The thrust of these statements, [

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was that West German Chancellor Schmidt and influential politicians in the FRG viewed the Soviet leadership as old, immobile, and stagnant. At the same time, they were said to believe that new impulses were needed in Soviet-FRG relations and that for this reason Brezhnev and not Gromyko must represent the USSR in a meeting with Schmidt.

We have no way of knowing the extent to which these statements weighed in the decision, announced while the Party leader was deep in Siberia, to schedule Brezhnev's visit to Bonn for early May. The West German trip had had a dynamic of its own, having been in various stages of planning since late 1976. [

] This suggests that the West German needle struck a raw nerve. Thus, while the timing appears to have been fortuitous, the dramatic forcing of the issue by Bonn at this particular moment and in this way may have given leverage to those in the Politburo who wanted to push ahead with the visit.

Other Leadership Developments

It was revealed in early March that Leonid Zamyatin had been released as TASS director to head a newly formed Central Committee Information Department. This is the first major change in the structure of the Central Committee apparatus since a department with the same name was abolished a decade ago. According to [], Zamyatin's department will coordinate Soviet propaganda intended for foreign consumption. The resurrection of the Information Department, therefore, may reflect a perceived need to improve Brezhnev's image abroad and to help bolster a sagging detente before an increasingly skeptical foreign audience.

This development could well have internal leadership consequences, especially in view of Zamyatin's closeness to the General Secretary in recent years. Formation of the new department creates a potential competitor of the International Department, headed by Boris Ponomarev, for the ear of Politburo members on foreign policy issues. Zamyatin is said to be, like Ponomarev, supervised by Mikhail Suslov, who by all accounts is the Politburo member most independent of Brezhnev and most skeptical of the benefits of detente.

As a result of these arrangements, Zamyatin's ability to use the Information Department to Brezhnev's personal advantage will be limited. The situation, however, allows plenty of room for frictions over foreign policy formulation due to the built-in functional conflict in the two department's responsibilities--between, for example, the International Department's mandate to show support for "national liberation" movements in Africa and the Information Department's presumed interest in meeting Western criticism of aggressive Soviet international behavior.

Although Brezhnev's trip and the Information Department's rebirth captured the limelight in the period under review, the rest of the top leadership remained heavily involved in their supporting bit parts. Few of the actors, however, stepped out of their accustomed roles, evidently preferring to remain as much as possible in the background.

One exception to this was Kulakov's appearance in mid-April at a major conference devoted to light industry. The senior Party secretary has given occasional attention to problems affecting the related food industry. He appears to have done so, however, because of his over-all responsibility for supervising agriculture. It may well be that Kulakov has long been responsible within the Secretariat for light industry. Nonetheless, the publicity given to his attendance at the conference last month, though low-key, may have been designed to alter his image as a narrowly specialized agriculturalist--an image that Brezhnev played up during an award ceremony in Kulakov's honor last February.

Leningrad Party boss Romanov, meanwhile, continues his rather aggressive self-aggrandizement in the otherwise generally discreet pre-succession maneuvering for position. More than any other Politburo member not based in Moscow, Romanov shows up in the capital to attend ceremonial events and other happenings which do not really require his presence. Such was the case, for example, at the opening of the Komsomol Congress in late April, when he was the only Politburo member from out-of-town in attendance.

Romanov also has not neglected his political "tail" during this period. A few days before the Komsomol Congress a number of high-level officials in Leningrad were shuffled

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as a result of the release of the city's first secretary,
a presumed Romanov ally [

] The upshot of this shuffling is not clear at this point, but the moves could result in a net gain for Romanov within the Central Committee. (, Office of Regional and Political Analysis.)

Economic Affairs

Three months into 1978, the Soviet economy remains sluggish. The overall rate of increase in the growth of industrial production may fall below 5 percent for the third consecutive year. Undoubtedly Soviet leaders are frustrated by the futility of their efforts to resolve endemic problems and, in particular, to alleviate the dismal performance of industry and construction.

Energy Policy

An important shift in emphasis has occurred in the USSR's energy policy, calling for a concentration of resources on oil and gas development in Tyumen Oblast, West Siberia at the expense of further development in the Urals-Volga region. This policy shift apparently reflects the leadership's heightened concern about 1) the peaking of the Samotlor oil and Medvezhye gas fields in Tyumen, 2) the critical rundown of West Siberian oil reserves due to a decade of insufficient geological exploration, and 3) the steeply rising resources needed to drill progressively more wells in less productive deposits further from established bases of support and transportation.

The importance that the regime now attaches to development of its resource-rich provinces was highlighted by President Brezhnev's recent 12-day trip through Siberia and the Far East. Brezhnev probably felt that making the trip would put him in a better position to understand, referee, and contribute to decisions affecting resource allocations in the future if the economy continues to perform poorly.

To deal with the long-term energy shortage, Andrey Kirilenko, top Soviet secretary for industrial affairs, called for accelerated development and production of light weight, energy-efficient internal combustion engines. These will promote secondary savings of diesel fuel and gasoline which have been in short supply since 1976. In addition the R&D sector has been told with unusual urgency to get energy-saving theory into mass production. However, the results are likely to be disappointing. Recent developments in computers and auto production indicate continuing inefficiency in civilian R&D and increasing reliance on Western technology.

Importing Western Auto Technology

A Soviet foreign trade delegation visited three major US automakers last month to propose joint design, production, and sale in the West of a new Soviet auto. The proposal is a departure from past Soviet policy which favored the turnkey purchase of industrial facilities. Now, the USSR seeks permanent involvement of a Western partner who will continuously update technology and provide quality control inspectors. While the opinion is not unanimous, at least some Soviet leaders consider more extensive and permanent Western participation essential to Soviet production of a modern car in the 1980s.

RYAD Computers

The USSR will soon put into production a new family of data processing computers patterned after the IBM 370. The RYAD II, a major new Soviet advance in general purpose computers, needs advanced integrated circuits from the West to reach full capacity. These may become available if proposed embargo relaxations are adopted. Production of the RYAD II does not cut the 7-year technological gap with the US. The gap is even greater when the variety of computer models is compared. RYAD IIs will have little short-run impact because the Soviets cannot meet requirements for associated hardware, highly skilled personnel, and proper installation and maintenance at industrial enterprises.

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Trade

We believe that in its push for oil exploration and development the USSR will likely order, this year, Western oil equipment worth up to \$1 billion. The Soviets recently signed a \$158 million deal with a US firm for a drill bit manufacturing plant and associated technology.

Rising Soviet oil prices are exacerbating trade and payments problems in Eastern Europe where trade deficits rose from \$160 million in 1974 to \$2 billion in 1977. Moscow has been helpful in extending ruble trade credits permitting Eastern Europe to divert exports to the West to augment hard currency earnings and providing above-plan deliveries of raw materials and semimanufactures that would otherwise have to come from the West. (. Office of Economic Research.)

Military Affairs

Aside from the activity surrounding Brezhnev's trip to the Far East, the military scene was unusually quiet during March and April. The only notable event was the mid-March Kremlin ceremony at which Brezhnev presented awards to top military commanders and conferred a Marshal's Star on First Deputy Minister Sergey Sokolov in connection with his promotion to Marshal of the Soviet Union in February.

Awards were presented to all Deputy Ministers of Defense in command of a major force component except Tolubko, commander of Soviet Strategic Rocket Forces. First Deputy Minister Kulikov, commander of the Warsaw Pact Combined Forces, was not given precedence over other Deputy Ministers in the order of presentation but was listed last. Sokolov's promotion was long overdue, Tolubko's absence from the award ceremony is unexplained (though he may have been ill), and the slight of Kulikov detracts even further from the image of fair-haired young aspirant to the top military post that he projected as Grechko's chief of staff.

All this is very tenuous evidence of a subtle shifting of power within the high command since Ustinov's appointment as Defense Minister that will bear further watching.

(Political Analysis.) , Office of Regional and