

# NIE 11-9-83

# ANDROPOV'S APPROACH TO KEY US-SOVIET ISSUES

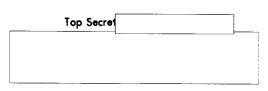
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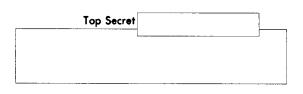
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# SCOPE NOTE

Taking as its point of departure NIE 11/4-82, The Soviet Challenge to US Security Interests, this Estimate focuses on how the Andropov regime will attempt to maintain or improve the USSR's international position vis-a-vis the United States over the next two years.

Since the mid-1970s the Soviets—while continuing to favor dialogue with the United States on terms beneficial to Soviet interests have relied more heavily on pressure tactics to influence and counter US policy. This shift from the tactics of the early 1970s evidently was due both to an increasingly optimistic appraisal of the "world correlation of forces," and to an increasingly pessimistic appraisal of the direction of US policy.

The assertive policies of the late Brezhnev period have gained considerable bureaucratic momentum, and it will be easier politically for Andropov to continue the "forward" course set by Brezhnev than to undertake a retrenchment to defend and consolidate the foreign policy gains that have been achieved. A variety of factors, however, will influence the direction of policy: Andropov's own views and how much personal authority over foreign policy decisionmaking he is able to exert, how the leadership currently assesses the requirements of the domestic economy and the costs of an accelerated arms race, how the regime sees the mix of opportunities and problems confronting the USSR internationally, and how the regime currently assesses the US ability to concert, execute, and sustain competitive policies. This NIE addresses these questions and estimates their significance for US interests.



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### **EXECUTIVE SUMMARY**

Moscow's basic approach to key US-Soviet issues has not changed substantially since the accession of Yuriy Andropov as General Secretary in November 1982. The Soviet conception of the USSR's relationship with the United States as fundamentally antagonistic provides the framework within which any Soviet leader operates. But the coming to power of a new Soviet leader can make a difference in the mix of Soviet tactics and the effectiveness with which they are carried out.

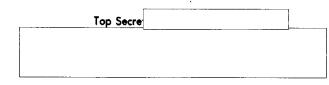
Since taking office, Andropov has established considerable authority over foreign policy. Andropov's KGB (Committee for State Security) background has made him particularly aware of the need to maintain internal control and fight Western ideological penetration and has made him more familiar than other Soviet leaders with espionage and "active measures" as instruments of policy. His extensive foreign affairs experience, alliance with key Politburo members Ustinov and Gromyko, and chairmanship of the Politburo and Defense Council probably allow him to dominate policy initiation and block any policy change he strongly opposes. Should he seek to effect major policy shifts, however, he could not do so without first building a Politburo consensus.

Soviet behavior in the international arena since Andropov's accession has given no indication of an inward turn on Moscow's part to the neglect of its position in the international arena. Rather, Andropov has given a vigorous new style to the assertive policies of the Brezhnev period.

Since Andropov's accession the Soviets have continued pressure tactics in dealing with the United States, made greater efforts to exacerbate divisions within the Western Alliance, and boldly competed for influence in the Third World. Although Soviet leaders are concerned about the implications of economic problems for their ability to sustain their ambitious military and foreign policies in the future, this concern is not likely to significantly affect Soviet foreign decisionmaking on key issues over the next two years.

Overall, the evidence suggests that the Soviets will continue to press ahead on several fronts that are in contention:

- Intermediate-Range Nuclear Forces (INF). Andropov is orchestrating an all-out effort to derail NATO deployments,



maintaining the appearance of negotiating flexibility while remaining intransigent in opposing US deployments and bolstering the "peace" movement. The Soviets are positioning themselves to use NATO deployments as a justification for installing a number of new systems that they have been developing for some time and would have deployed in any event. They are also likely to deploy more SS-20s, or a variant thereof, and groundlaunched cruise missiles. After NATO deployments, Moscow will probably attempt to change the whole focus of the INF talks by offering to trade these systems for NATO INF systems, thus excluding their currently deployed SS-20s from consideration.<sup>1</sup>

- START. Soviet negotiators have made modest adjustments in their proposals, but Moscow has continued to insist on keeping intact its full force of heavy SS-18 and SS-19 missiles that are most threatening to the United States. They appear to believe that if they combine their present negotiating stance with vigorous public criticism of US proposals, the United States will modify its position. They do not seem to feel under time pressure and remain intent on improving all aspects of their strategic forces.
- Trade. The Soviets are attempting to increase their economic self-sufficiency and to concentrate on purchasing Western technology and materials that will enhance their research and development program and manufacturing capability. They will probably continue the current policy of giving preference to non-US suppliers where possible. Although they have concluded a new long-term grain agreement (LTA) with the United States requiring them to purchase 9 million tons a year (a 50-percent increase over the previous LTA), they will hold purchases close to the minimum required and continue to buy most of their grain from other countries.
- Eastern Europe. Andropov has placed greater emphasis on CEMA (Council for Mutual Economic Assistance) integration, economic austerity, and on political orthodoxy while increasing pressure on the USSR's Allies to increase defense spending. Andropov is prepared to push harder than Brezhnev did for a



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reorientation of East European economies to meet more of the USSR's needs. He will probably complement this economic policy with further efforts to restrict political autonomy.

- Poland. The Soviets appreciate that Polish leader Jaruzelski has given them most of what they wanted. But they have urged firmer repression of opposition elements and more rapid restoration of the network of party-dominated institutions through which control of the population was exercised in pre-Solidarity days. Moscow will continue to pressure Poland to quicken the pace of "normalization."
- Afghanistan. Andropov has given no indication that he is prepared to relinquish the new geopolitical position the Soviets have acquired there. Although he has used the UN-sponsored negotiations to blunt international criticism of Soviet aggression, he has continued the war and worked to build a Soviet-style political structure. We expect that the heart of Moscow's endeavors will continue to be the prosecution of the war in Afghanistan roughly along current lines, while using diplomacy and pressure on Pakistan and Iran to diminish outside support for the insurgents.
- Middle East. The primary objectives of the Soviets will remain to increase their influence and to stalemate US peacekeeping diplomacy from which they are excluded. The most important issue facing Andropov is the choice of a Soviet course of action in the event of Syrian-Israeli hostilities. Both the USSR and Syria may have believed earlier this year that they would benefit from limited conflict confined to Lebanon. The Soviets probably judge that confining military clashes to Lebanon would be difficult, particularly in view of the Soviet-manned SA-5 sites and command and control facilities in Syria. Moreover, the deepened Soviet commitment would make it more difficult for Moscow to avoid becoming involved. Nevertheless, there has been little indication that it is exercising a significant restraining influence on either Syria or the PLO. To avoid having to make the critical decision of choosing a course of action in the event of Syrian-Israeli hostilities, Moscow seems to be relying on Israel's reluctance to engage Soviet units, on the US ability to restrain Israel, and on Syrian President Assad's desire to avoid all-out war.

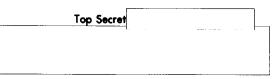
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- Central America and the Caribbean Basin. The Soviets continue to upgrade Cuba's military capabilities; to work with Cuba in providing increased military support to Nicaragua; and in El Salvador to follow a two-track approach of providing military assistance through surrogates while attempting to put the onus for the continuation of the war on the United States. The general approach of the USSR to Nicaragua and El Salvador has been to position itself for a more assertive role in the region while avoiding irrevocable commitments and keeping open alternative strategies. US military power argues for caution on Moscow's part, but we believe that the opportunity to seriously damage US interests will cause the Soviets to continue their involvement in the region.
- Southern Africa. No change in Moscow's essentially disruptive policy is in sight. The Soviets have concentrated on preventing any settlement in Namibia that is linked to Cuban withdrawal from Angola. To that end, they have applied pressure on Angolan President Dos Santos not to strike such a deal and have increased their military assistance to him. They have also given Mozambique's President Machel additional military assistance to increase his ability and incentive to continue opposing South Africa. If the internal security situation in Mozambique were to deteriorate to the point where the Machel regime's survival were threatened, the introduction of Cuban troops would be a possibility.
- China. Andropov has attempted to take advantage of China's dissatisfaction with recent US policies. He has little inclination to meet China's major demands—which would jeopardize many of the Soviet strategic gains made in Asia during the Brezhnev years—but he will try to do enough to keep Chinese hopes and US fears alive.

## Implications and Outlook

The Andropov regime believes the current US administration has embarked on a broad counterattack intended to reverse the military and foreign policy gains the Soviets have made over the past decade and to reestablish US global predominance. In the view of Soviet leaders, Washington is attempting to achieve military superiority over the

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USSR, to undermine the Soviet economy, to destabilize the USSR and Eastern Europe politically, and to offer stronger resistance to Soviet encroachments in the Third World.

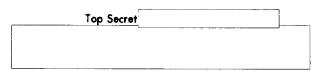
The Soviets view the US attempt to strengthen its military capabilities as the most threatening aspect of the US administrations's approach. The Soviets are determined to counter a more vigorous US defense effort, but they are concerned for the future and are probably particularly worried about the US potential for major technological breakthroughs.

Nevertheless, the Soviets still hope to mitigate the practical consequences of US policies:

- The Soviets believe that the administration has not always executed its policies effectively, especially in dealing with Western Europe and China.
- They believe that profound changes in the world "correlation of forces" since the US defeat in Vietnam have reduced US influence in the world and that this process has not yet run its course.
- Despite concerns about the vigor of their own system, they believe that social and political problems in the United States and the Western Alliance will make it difficult for the United States to sustain competitive policies.

The Soviets, consequently, are hopeful that "Reaganism" may eventually yield to what they call a more "realistic" US policy. They anticipate that pressure from domestic commercial interests, the persistence of the Vietnam syndrome, the erosion of political support for the administration's military programs, and the burgeoning of the nuclear freeze movement within the United States can take much of the sting out of the President's "anti-Soviet" policies.

Equally important, as the Soviets see it, is the extent to which they can profit from West European perceptions that their interests diverge from those of the United States. Despite the coming to power of conservative governments in several Western countries, the reinvigoration of Western defense spending, and the partial economic recovery of the West, the Soviets probably still regard Western Europe and especially West Germany as vulnerable to Soviet pressures and blandishments. They doubt the United States will succeed in organizing a coordinated Western trade policy toward the USSR, and they believe



that the United States acting alone has little leverage to affect Soviet economic choices. In sum, the Soviets probably expect domestic and foreign pressures to impede but not to reverse the US administration's policies.

This fall the major issue confronting the Soviets will be whether to limit US INF deployments through a compromise agreement or to rely on heavy pressure to undermine NATO resolve. We expect the Soviets to choose the latter course but to fail in their campaign to block deployments.

The Soviets will then have to decide how to implement their longthreatened countermeasures. Essentially, they will have to choose between actions that can be portrayed by them as carrying out their threat without provoking a confrontation or to risk a fullblown East-West crisis by highly provocative activities in Cuba. We expect the Soviets to choose the first course.

By spring 1984 the Soviets will be increasingly sensitive to the implications for them of the upcoming US Presidential election. They clearly would prefer to avoid actions that could boost President Reagan's reelection prospects. But at the same time they hope that the President will feel a political need to achieve concrete diplomatic results with Moscow. In an interview in June, Gromyko reiterated the Soviet requirement that any summit address fundamental issues and added that the United States must change at least some of its policies before a Reagan-Andropov meeting could take place. If the Soviets decided that domestic pressures had led the President to feel a political need to display flexibility in dealing with Moscow and if the Soviets had reason to expect that they would consequently not leave a summit emptyhanded, they might agree to a meeting.

The Soviets increasingly see the 1984 US election as an important event in US-Soviet relations. The victory of a presidential candidate, of either party, perceived by the Soviets to stand for a staunch anti-Soviet approach would reinforce their concern that the whole US political spectrum has shifted to the right.

Regardless of the outcome, the 1984 US Presidential election will not by itself occasion a fundamental change in Soviet foreign or military policy. Soviet behavior in the international arena will be affected by many other variables. These will include such factors as the nature of US relations with the NATO Allies, the stability of the Soviet position in Eastern Europe, and the state of the US and Soviet economies. No

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matter how the Soviets interpret the international situation, a comprehensive accord on bilateral relations or geopolitical behavior would remain precluded by fundamentally divergent attitudes toward what constitutes desirable political or social change in the world order.

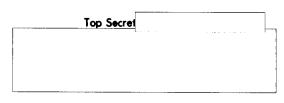
Although Andropov's poor health casts some doubt on his longevity and his ability to participate fully in policy execution on a day-to-day basis, it should not affect the main lines of Soviet foreign policy. Even his incapacitation or death would not produce any immediate shift in overall Soviet strategy, although it could result in tactical changes in particular areas of policy and could affect policy implementation. In the longer term, the next political succession could be a catalyst for a larger reorientation if a significant segment of the leadership had come to question the general thrust of current policy. We do not believe that such pressure for an overall change of direction exists within the Soviet leadership at present.

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# DISCUSSION

1. All Soviet leaders conceive of the USSR's relationship with the United States as fundamentally adversary. This conception, based on ideological antagonism and geopolitical rivalry, governs Soviet behavior, shapes Soviet perceptions of US policies toward the Soviet Union, and is the motive force behind the recent Soviet foreign policy of detente. This policy is in reality the continuation of the longstanding Soviet concept of "peaceful coexistence" and embodies two elements. The first consists in dealing with the advanced industrial nations on the basis of correct stateto-state relations, trade, and aid. The second element consists of the continuation of the "international revolutionary struggle" against those nations that Lenin called the "weak link" of imperialism and we refer to as the Third World. Over the past decade, this second element has yielded considerable benefits to the USSR. This general Soviet approach sets the bounds within which any Soviet leader operates. But the accession to power of a new Soviet leader can make a difference in the mix of Soviet tactics and the effectiveness with which they are carried on.

### Domestic Sources of Foreign Policy Behavior

#### Andropov's Authority Over Foreign Policy

2. Since taking over as General Secretary in November 1982, Andropov has made considerable progress in consolidating his position:

- He has assumed Brezhnev's posts of Chairman of the Presidium of the Supreme Soviet and Chairman of the Defense Council and has been publicly acknowledged as "head" of the Politburo.
- He has retained the support of Defense Minister Ustinov and First Deputy Premier and Foreign Minister Gromyko. Secretary Chernenko appears to have lost ground politically, as have several other old Brezhnev and Chernenko cronies at lower levels.

- Personnel changes thus far have solidified Andropov's control over the security apparatus, strengthened his hand in dealing with the economic bureaucracy, and given him greater influence over lower level party appointments.
- He has astutely employed the political resources he enjoys: his KGB (Committee for State Security) connection, reputation for "strong" leadership, and support from younger officials and technocrats.

3. Nevertheless, there continue to be major constraints on Andropov's power and his freedom of action in foreign policy:

- -Andropov's health poses physical limitations to his ability to provide vigorous leadership and could invite presuccession factionalism.
- Andropov does not yet command a reliable Politburo majority and still has to operate within a consensus.
- He probably does not enjoy undivided support within the party apparatus.
- His chief Politburo supporters, Ustinov and Gromyko, are powers in their own right. Without their support Andropov probably would not be able to get Politburo assent for any major change in foreign policy.

4. The military seems to have assumed a greater role in national security matters. As publicly defined by Chief of General Staff Ogarkov, the military's assessment of US strategy places heavy emphasis on its aggressive, global, well-coordinated character. Although Ustinov does not come from the ranks of the professional military, his years as Defense Minister and prior experience directing military research and development and production activities have made him especially sensitive to military concerns. Andropov recognizes the importance of military power as a

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critical factor underlying Soviet foreign policy and it would be highly unlikely for him to ignore military views in foreign policy planning.

5. Andropov may find it easier to put his personal stamp on foreign than on domestic policy:

- He has already established himself as chief regime spokesman for foreign affairs.
- -- His chairmanship of the Defense Council gives him great influence over military programs and the military budget.
- He has had extensive foreign policy experience, which may incline some of his colleagues to let him take the lead.

6. In sum, should Andropov seek to effect any major foreign policy shifts, he could not do so unilaterally without first building a Politburo consensus for the change. He could, however, continue to exert a strong personal influence over policy initiation as well as block any policy modification he strenuously opposed.

#### Andropov's Foreign Policy Outlook

7. Andropov brings to Soviet foreign policy attitudes and attributes shaped by lengthy experience in the KGB and in dealing with East European Communist Parties:

- His sharp mind and intimate knowledge of most international issues have gained him the respect of foreign leaders he has met.
- At home, he has been responsible for maintaining internal control and countering Western ideological penetration.
- His KGB background has made him more familiar with espionage and "active measures"<sup>2</sup> than other Soviet leaders and probably more inclined to make use of these tools as instruments of policy. Personnel changes Andropov has made in the Soviet propaganda apparatus and a major Central Committee conference on upgrading foreign propaganda suggest increased emphasis on manipulating public opinion abroad.

8. Since Andropov's appointment as General Secretary, the Soviets have used unusually threatening language against the United States and several pro-Western countries. Some of these attempts at intimidation, viewed in isolation, could be seen essentially as situationally determined responses to particular external developments. But taken together they are suggestive of a greater emphasis on tough tactics.

#### Impact of Economic Imperatives

9. The ambitious program of military buildup and global outreach that Andropov inherited from Brezhnev has become increasingly difficult for the Soviet economy to support. Last year Soviet GNP grew only about 2 percent (about half the growth rate of the early 1970s) and midway into their 11th Five-Year Plan (1981-85) Soviet-published data on economic performance and intelligence reporting have already made clear that most of the important goals of the plan are well out of reach.

10. The planning cycle for the 12th Five-Year Plan is now under way, and by next year the new leadership will have to make painful decisions about resource allocation priorities:

- Although satisfying military requirements remains the first national priority, the Food Program has become increasingly important. Over the past year, both before and after Andropov's accession, there have been instances in which a small number of defense-related plants have been told to deliver materials to the Food Program as well as to defense consumers. There is no evidence that such adjustments have had an impact on major Soviet military programs, but it does appear that defense industries are being scrutinized for more efficient use of resources.
- Reduced investment growth has had an extremely adverse effect on the economy, impelling the leadership late last year to revise the 1983 annual plan to increase investment. Andropov's speeches suggest concern to boost investment growth.

11. The drain of military spending on the civilian economy has probably become a matter of some concern to the Soviet leadership—if only because the economic slowdown threatens to weaken the industrial



<sup>&</sup>lt;sup>t</sup> The Soviet term "active measures" distinguishes influence operations from espionage and counterintelligence. It includes manipulation of foreign media, disinformation, use of foreign Communist Parties and front organizations, clandestine radiobroadcasting, and some economic and military activities.

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base on which the growth of military power itself ultimately depends. But the leadership appears divided over whether domestic economic considerations should play a *major* role in foreign and military policymaking.

12. Concern about the economy could be one factor affecting Soviet attitudes toward force reduction or arms control agreements if the Soviets became convinced that such agreements were the only alternative to escalating military spending sharply in the future. The Soviets would prefer to avoid an unconstrained high-technology arms race with the United States because it would require even larger allocations of resources for military programs. But the impact of any desire to divert resources from military spending would be offset by the relatively small amount the Soviets spend on their strategic programs, and by the difficulty of transferring resources from strategic programs to civilian ones. Moreover, economic considerations would be secondary to larger and more important political-military objectives.

13. Despite Soviet reliance on Western technology in some important areas, a desire to expand trade with the West is not likely to significantly inhibit Soviet foreign policy in the immediate future. The Soviets already have access to most of the goods and technology they need for development projects planned for the next two years, including the Siberian-West European pipeline. One important exception is expertise in Arctic offshore petroleum exploration and production operations. Soviet leaders are probably confident that only an international crisis of major proportions could disrupt deliveries from Western Europe.

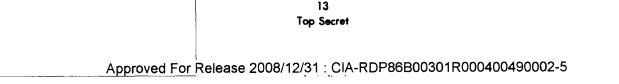
14. Nor will a need for US grain constrain Soviet foreign policy options in a major way over the next two years, largely because Soviet dependence on US suppliers has diminished substantially. Moscow apparently made a decision in mid-1982 to limit grain imports, even at the risk of reducing the per capita availability of meat and dairy products in the USSR. In the current trading year (which ends 30 September) the Soviets have bought grain from the United States only after exhausting all other sources, managing thus far to hold purchases to 6.2 million tons, only slightly more than the minimum required by the current Long-Term Agreement (LTA). The new US-Soviet LTA probably guarantees the Soviets all the grain they intend to purchase from the United States (9 to 12 million tons).

15. The Polish example and US sanctions imposed after the Soviet invasion of Afghanistan have heightened Soviet concern about potential dependency on Western goods, technology, and credits. This concern, combined with a desire to hold down Soviet hard currency borrowing, has led Moscow to limit nonagricultural imports from the West as well as grain purchases. This policy may continue because a further decline of world oil prices would threaten to put the Soviets in a new hard currency bind. Over the past year Soviet spokesmen have placed greater stress on autarkic goals, and the foreign trade plan for 1983 suggests that Moscow intends to reduce trade with the West this year by about 4 percent.

16. The Soviets' desire to protect their hard currency position is causing Moscow to increase pressure on consumer-oriented East European regimes to force a lower standard of living on their populations. To boost energy sales to the West last year, the Soviets cut petroleum exports to several East European countries by 10 percent. The Soviets have also adopted a tougher loan policy.

17. Andropov has publicly acknowledged limits to the amount of economic relief the USSR can offer its Third World Allies. Moscow's niggardly economic assistance has long drawn criticism from hard-pressed LDC client states, most recently from South Yemen and Ethiopia. Although Moscow is apparently uneasy about the political implications of its clients expanding trade with the West, it is unwilling in many cases to provide the economic support required to prevent this. The USSR has also pressured its debtors, including arms buyers, to meet their obligations.

18. Nevertheless, Moscow last year made relatively large new economic aid commitments to Angola, Ethiopia, and Nicaragua, and the cost of economic support to Cuba grew slightly from already high levels. At the same time, Soviet arms sales to the Third World rebounded in 1982 from the ebb of 1981, and since Andropov's accession the USSR has continued to upgrade the quality of arms deliveries outside the Bloc. Although arms sales are driven in some cases by the Soviet hunger for hard currency, sales to many



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Third World countries are still on concessionary terms and are used largely as instruments for increasing political leverage.

19. In sum, we believe that domestic economic difficulties are not currently constraining Soviet behavior in the international arena in any major way. Although Soviet leaders are concerned about the implications of economic problems for their ability in the future to sustain their ambitious military and foreign policies, this concern is not likely to significantly affect Soviet foreign decisionmaking on key issues over the next two years.

#### Soviet Policy on Functional US-Soviet Issues

#### INF <sup>3</sup>

20. Under Andropov the Soviets have remained steadfast in their determination to stop NATO deployments of intermediate-range nuclear forces, but have adjusted their tactical approach to keep pace with events and improved their public diplomacy. In December, Andropov publicly announced an offer the Soviets had already made privately under Brezhnev to reduce Soviet "medium-range" missiles in Europe to 162, the number the Soviets ascribe to Britain and France. Following rejection in April of President Reagan's proposal for an interim accord, Andropov quickly came back in May with a proposal for making equality of warheads as well as delivery weapons the basis of an accord.

21. These proposals have not changed the crux of the USSR's position, which the Soviets have encapsulated in four conditions: no US deployments; taking into account French and British systems; a ceiling on aircraft that would substantially reduce US dualcapable aircraft in Europe; and no limitations on Soviet SS-20s in the Far East. Although they have indicated that they might show increased flexibility regarding aircraft, Far Eastern systems, and British and French systems (some of which, they have hinted, could be handled in START), they have not spelled out their alleged flexibility in a negotiating proposal.

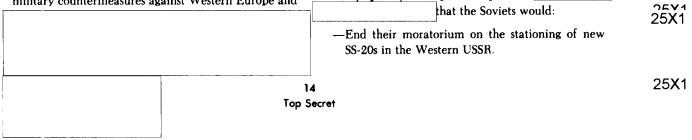
22. But the Soviets have kept up their warnings of military countermeasures against Western Europe and

the United States in case of deployment. More important, they have continued the construction of new SS-20 bases in the Far East and continued the development of weapon systems that they might choose to portray as countermeasures. Andropov has placed his own stamp on Soviet policy by his shrewd behavior in meetings with foreign leaders, used "active measures" vigorously, and pushed the European "peace" movement and West European Communist parties and front organizations to make an all-out effort against NATO deployments. In essence, the Soviets have followed their own two-track policy of combining small changes in their own position with threats-all designed to influence West European governments directly and to increase popular pressures on NATO to make concessions to Soviet interests.

23. Looking Ahead. The Soviets will continue to engage the West in a war of nerves in an effort to derail the NATO program this fall or, at a minimum, to make deployment as politically costly to NATO as possible:

- They will continue to raise the specter of nuclear war and to warn about the dire consequences of NATO INF deployment.
- They will claim the moves they have made in the Mutual and Balanced Force Reduction (MBFR) talks and in the Conference on Security and Cooperation in Europe (CSCE) demonstrate their good will and flexibility.
- Although they will probably make some new negotiating proposal in Geneva, we do not believe this proposal will allow US deployments, even at a reduced level. They will, however, continue to profess readiness to negotiate any "serious" proposal advanced by Washington and will argue on this basis that progress in the talks is still possible if NATO deployment is postponed.

24. Nevertheless, the Soviets doubt that they will be able to block deployments at this stage and are probably deciding on how to react to them. In the military sphere, Andropov has specified



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- Station new short-range weapon systems in Eastern Europe.
- Increase the range of tactical weapons stationed in the western USSR.
- Take undefined steps affecting the security of the United States.

These steps appear to use NATO INF as a justification for moves that the USSR was planning to make in any event: deployment of SS-21s and SS-23s to Eastern Europe in place of the obsolescent FROGS and SCUDs, improvements in the SS-12 force, and possibly the fielding of GLCMs (ground-launched cruise missiles) in the western USSR.

25. Like many other Soviet threats of countermeasures against the United States, Andropov kept his statement deliberately vague to avoid committing himself to any future course he might not want to take. In the absence of further evidence, we believe that any Soviet action directed at US territory will not be intended to create a crisis, although we cannot rule out the latter possibility.

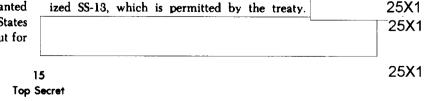
26. We expect that after an appropriate show of displeasure and an interruption of INF talks, the Soviets will resume negotiations. But they may suggest a merger of the INF and START talks, a face-saving device that would probably also improve their negotiating position. In any event, the Soviets will most likely claim that additional intermediate systems they deploy (GLCMs or additional or modified SS-20s) are countermeasures to the US GLCMs and Pershing IIs. In this way they will seek to protect their current SS-20 force, focus the negotiations on the "new systems," and thereby attempt to achieve their own version of the zero-option: zero for the United States, quite a bit for the USSR.

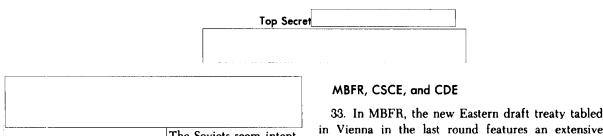
#### START

27. Moscow has steadfastly rejected the US approach, claiming that it entails force structure limitations disadvantageous for the USSR. They have stated that the US proposals are intended to force them to make rapid, expensive, large-scale, and unwarranted changes in their forces while leaving the United States free to modernize its forces. They have singled out for particular criticism the US proposal for a separate ceiling of 400 heavy bombers which allows no freedom to mix ballistic missiles and bombers. They have stated that they had no intention of either counting the Backfire as a heavy bomber or building other bombers up to that sublimit. They have further claimed that this proposal showed the US intent to have 400 bombers, each equipped with 20 air-launched cruise missiles (ALCMs), thus giving the United States 8,000 warheads on bombers alone and making nonsensical the US limit of 5,000 warheads on missiles.

28. Moscow's own point of departure has remained the framework of the unratified SALT II agreement, albeit with lower limits. In a draft treaty presented in March 1983, the Soviets proposed that both sides reduce their ICBM (intercontinental ballistic missile) and SLBM (submarine-launched ballistic missile) launchers and heavy bombers in stages to a level of 1,800. Although they initially claimed that they could not be more specific until they knew the outcome of the INF negotiations, in the last round they set a limit of 1,200 for MIRVed (multiple independently targetable reentry vehicle) systems. These proposals, however, would still allow Moscow to keep the systems that are most threatening to the United States-that is, by retaining most of their SS-18s and SS-19s or deploying new SS-X-24s. As part of its return to the SALT II position, Moscow has also dropped demands that the United States limit the deployment of Trident submarines equipped with D-5 missiles and has given the United States the option of having 120 ALCMequipped bombers as part of its 1,200 MIRVed systems. In another display of procedural flexibility, in the last round of talks Moscow reversed itself and agreed to form a working group on confidence-building measures. But it has remained adamant in rejecting US attempts to restrict telemetry encryptions more explicitly than was done in SALT II.

29. At the same time, in early February the Soviets began flight-testing the SS-X-25, a new ICBM that began development in the late 1970s. The SALT II Treaty allowed each side to test only one new ICBM, which the Soviets did last year with the SS-X-24. They have claimed that the SS-X-25 is actually a modernized SS-13, which is permitted by the treaty





The Soviets seem intent on deploying it, in particular as a mobile ICBM in the mid-to-late 1980s.

30. The Soviets are building a new large phasedarray radar inland in the eastcentral USSR and covering a large part of the USSR. This location and orientation raises compliance questions pertinent to the ABM Treaty. The new radar, which is similar to or identical with radars at other locations, is optimized for ballistic missile early warning (BMEW) and closes a gap in coverage. But it has the technical potential to provide target tracking data that could be used to support ABM deployments beyond the Moscow area. The Treaty prohibits the deployment of BMEW new radars that are not on the periphery of the USSR and oriented outward.

31. Looking Ahead. We expect the USSR to continue to seek strategic advantages through the arms control process and to weigh this objective more heavily than any concerns about the cost of the arms race or its contribution to global instability. The Soviets have a strong desire to curtail US programs because of their concern that the combination of such weapon systems as the MX, D-5, long-range cruise missiles, and Pershing II could outpace improvements to Soviet strategic defenses and would threaten the control and survivability of their silo-based ICBMs. The key to Soviet tactics will be the degree to which Soviet leaders believe the United States will go forward with its planned programs.

32. For now the Soviets appear to believe that if they combine their current negotiating stance with vigorous public criticism of US proposals, the United States will modify its START position. They will continue to point out that their START position remains contingent on the outcome of INF negotiations. We believe that in Round V (October) of START the Soviets will stress that their proposals entail significantly greater cuts than envisaged by SALT II and will reiterate the positions that have the effect of protecting their major strategic weapons programs. The Soviets are intent on improving all aspects of their strategic forces, and they do not appear to feel under time pressure in START. in Vienna in the last round features an extensive package of Associated Measures that Moscow can now cite to argue that it has made concessions in principle on almost all of the West's verification and confidence-building proposals. Contrary to the Western approach, several key Eastern verification provisions would go into effect only after reductions had been completed. The East has not budged on the data issue, which the West has insisted be settled before any reduction agreement. The East would get around the problem by having the treaty set a postreduction common ceiling, but not specifying the size of the reductions to be taken.

34. At the CSCE review talks in Madrid, the Soviets retreated somewhat from their earlier stand that the Spanish compromise proposal had to be accepted in toto. They finally agreed to amendments that to a minimal degree met Western concerns, particularly one calling for a meeting on human contacts. Moscow probably made these concessions because it realized that the text was still subject to various interpretations and was nonbinding in any case. At the same time it wanted to make a gesture to the West Europeans, particularly the West Germans, as a means of increasing pressures against NATO INF deployments. The end of the Madrid conference paves the way for the signing ceremony in early September (when the INF talks also resume) and the opening of the Conference on Disarmament in Europe (CDE). Preparatory meetings will begin in Helsinki in October and the conference itself in Stockholm in January 1984.

35. Looking Ahead. CDE and MBFR clearly remain subordinate to the INF negotiations. Moscow will continue to use any movement in these two major European forums to depict itself as forthcoming and sincere on arms control and to attempt to fuel opposition to NATO's INF deployment. In MBFR, the East may have reserved a number of additional steps to demonstrate its flexibility. For instance, it might accept the West's mandatory quota approach to on-site inspections as long as it could ensure that these inspections could not become intrusive. Because CDE initially will deal strictly with confidence-building measures, Moscow will probably use it primarily as a

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platform to assert its devotion to peace and arms reductions. The CDE preparatory meetings will roughly coincide with this fall's "peace" demonstrations in Western Europe and therefore fit nicely into Moscow's expected "peace offensive."

#### **Human Rights**

36. The Soviets' poor human rights record has worsened under Andropov. Repression of dissent, which grew somewhat harsher in spring 1982, continues:

- The regime has taken unusual measures to curtail contacts between Soviet citizens and Westerners such as severing long-distance, direct-dial telephone service, issuing warnings to dissidents to cut off ties with Western newsmen and diplomats, putting several dissidents on trial on charges of involvement in subversive activities of Western governments or emigre organizations, increasing harassment of Western tourists and officials, and tightening up border controls.
- Andropov has advocated policies that would further restrict the rights of non-Russian nationalities, and the rate of Jewish emigration has slowed to a trickle. New bureaucratic obstacles have been added to the application process, there are reports of a decision to hold emigration to an absolute minimum, and an officially sponsored "anti-Zionist committee" has been set up.
- Even in dealing with internationally known dissidents the Soviets have declined the opportunity to reap good will at a relatively low cost.

37. The Soviets have, however, made two gestures. They finally released the US Embassy Pentecostals and they accepted the Spanish compromise proposal at the Madrid CSCE talks. But we have no reason to expect that the Soviets will honor these new formal human rights commitments in practice any more than they did the provisions in the 1975 Helsinki accords.

38. Looking Ahead. The Andropov regime is not likely to change its human rights practices in any fundamental way, because it fears loosening controls over the population could ultimately be politically destabilizing:

 Food shortages at home and unrest in Poland have made Soviet leaders edgy about the mood of the population.

- Many Soviet officials believe that Brezhnev's detente policies made this problem worse. Expanded contacts with the West provided many Soviet citizens with information about high standards of living in the West and made them more dissatisfied with their lot. Jewish emigration stirred up other religious and ethnic minorities who wanted to leave.
- In an effort to revitalize the economy, Andropov is probably planning to impose austerity measures and harsher labor policies that will further increase tension between the regime and the population.
- He may also anticipate that his policies toward Eastern Europe could produce some turbulence there, which could reinforce his determination to reassert the party's monopoly over information and to isolate the Soviet population to the extent possible from news of the outside world.

39. Nevertheless, we believe Andropov may find it expedient to make some cosmetic changes that the Soviets would then publicize as permitting a "freer movement of people and ideas":

- He could encourage an expansion of academic exchanges, out of a desire to gain greater access to Western scientific information.
- Andropov might stop jamming some Western radio stations.
- He might decide to release a few highly visible dissidents such as Shcharanskiy or even Sakharov.
- If a situation arose in which US Congressional approval of an arms control agreement satisfactory to Soviet interests could be affected by Jewish emigration, Andropov would probably ease up a bit.

#### **East-West Trade**

40. Andropov last spring implicitly criticized Brezhnev's trade policies, and he was probably influential in the regime's increased efforts toward the end of Brezhnev's life to protect the Soviet economy from further Western trade restrictions. This policy has been reinforced since his accession:

- A major theme of Andropov's unpublished speech at the Warsaw Pact summit in January



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was the vital importance of reducing the dependence of CEMA (Council for Mutual Economic Assistance) countries on Western technology and credits.

- The primary objective of a new 20-year energy program is said to be increased self-sufficiency in energy technology.
- The USSR has returned to its previous practice of paying for grain mostly in cash while making greater efforts to arrange compensation deals with Western firms, indicating that the regime regards increased borrowing from the West as a generally unacceptable way of dealing with Soviet hard currency problems.

41. Some Soviets, however, have indicated that the USSR is still interested in certain types of imports from the United States if the price is right. Soviet trade officials have continued to show interest in obtaining US equipment and technical assistance in exploiting offshore oil deposits. They have been negotiating with US firms for the purchase of agricultural machinery and food-processing technology and have stated that the regime's decision to give a higher priority to developing light industry and agricultural machinery would open up new opportunities for bilateral trade. And these officials have attempted to keep open their channels of communication with the American business community.

42. Looking Ahead. Andropov's future policy toward trade with the West will be driven by several economic imperatives:

- A desire to obtain from the West the technology and industrial materials that are essential to highpriority areas of the economy.
- Recognition of the need to import agricultural commodities in sufficient quantity to prevent any precipitous decline in consumption.
- The poor outlook for Soviet hard currency exports combined with unwillingness to accept a steep rise in indebtedness to the West.

43. Political considerations will also affect Soviet policy toward East-West trade:

- The Soviet leadership wishes to decrease the country's dependence on Western suppliers and

especially on the United States over the long term.

- -- The Soviets want to demonstrate to the United States that any policy of economic warfare would be doomed to failure.
- Moscow wants to give Western Europe a greater stake in economic relations with the USSR in hopes of enhancing its ability to influence the political orientation of key NATO countries.
- Andropov has internal political reasons for emphasizing autarkic goals, in view of the backlash among Soviet officials against Brezhnev's trade policies when US sanctions were imposed.

44. Consequently, over the next two years the Soviets are likely to:

- Concentrate on purchases from the West of technology and materials that enhance their R&D program and the manufacture of important industrial materials and equipment, especially in the energy, transportation, agricultural machinery, and food industry fields.
- Give preference to non-US suppliers where possible.
- Hold down borrowing from the West, if need be by dipping into domestic energy supplies in an effort to raise hard currency oil exports to the West.
- Attempt to stimulate Western competition over interest rates to cut costs.
- Attempt to widen differences within NATO over the utility of trade restrictions and work to increase West European participation in Soviet development projects.
- Hold purchases from the United States as close as possible to the 9 million tons required by the LTA and assiduously court alternative grain suppliers, while investing heavily in the Food Program in hopes of moving toward greater agricultural self-sufficiency in the years to come.
- Market Soviet manufactured goods more aggressively in Western Europe.

45. The degree to which these measures succeed will depend in large part on whether world oil prices are high enough to sustain hard currency earnings,



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whether Western economic growth is vigorous enough to increase West European demand for Soviet materials, and whether the Soviet and East European populations are docile enough to accept further deterioration in the standard of living. On balance, the slow growth of Soviet oil production together with weak oil prices is likely to impede the USSR's efforts to improve its hard currency balance of payments significantly. But the Soviets appear to be headed for a better-than-average grain crop this year and are in a good position to minimize grain purchases. A modest increase in imports of machinery and equipment this year without an increase in total hard currency outlays is possible.

46. The Soviets are worried about their ability to compete with US technology over the long term and about US efforts to organize a coordinated Western trade policy toward the USSR. But a reimposition of US sanctions, in the absence of similar sanctions applied by West European governments, would probably have only a marginal effect on the Soviet economy. The Soviets currently have no large project in the works that is dependent on US technology. They are able to obtain virtually all foreign inputs critical to their needs for the next two years from other Western sources. The Soviets consequently believe the United States, acting in isolation from its Allies, has little leverage to affect Soviet economic choices. Although they would prefer to expand trade with the United States, they see expanded trade with Western Europe as a more acceptable substitute than they have in the past.

### Soviet Policy on Regional Issues Significantly Affecting US-Soviet Relations

#### Eastern Europe

47. Andropov's actions so far have suggested a determination to run a tight ship in Eastern Europe. The Soviets have insisted that the doctrine of "democratic centralism" (that is, stronger Soviet control) be applied in the economic arena, increased the pressure on their Warsaw Pact Allies to contribute more for force modernization, and criticized ideological "deviations" in Eastern Europe. The policy objectives behind these moves are hardly new, but Andropov appears to have pushed them with new intensity.

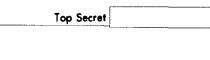
48. In accordance with Andropov's call for "a qualitatively new level of economic integration," the Soviets have increased their efforts to reorient East European economies to meet more of the USSR's

economic needs and political interests. Since Andropov's accession, the Soviets have continued Brezhnev's policies of:

- Urging changes in CEMA rules and giving special attention to the need to move away from consensus decisionmaking and increase Soviet influence over the coordination of planning and production.
- -Pushing for a greater division of labor, increased country specialization, and more joint enterprises to enmesh East European economies with the Soviet economy.
- -- Calling for "concrete steps" to change the CEMA pricing system, which now tends to favor East European interests, and refusing to adjust prices for Soviet energy exports to Eastern Europe, which are rapidly approaching the world market level because of the decline in OPEC prices.
- 49. In addition, they have also:
- Called for a uniform CEMA food plan and an increase in East European food and consumer goods deliveries to the USSR, some at the expense of hard currency sales to the West.
- Criticized the foreign borrowing practices of Hungary and Romania, including the wisdom of Hungary's joining the International Monetary Fund (IMF).
- Called for a reduction in CEMA imports of food and finished equipment from the West and for greater emphasis on importing turnkey factories to produce the actual goods and limit the impact of future interruptions of trade.
- Urged the development of an overall coordinated CEMA foreign trade plan, which would increase Soviet control over CEMA economic ties to the West.
- Reduced credit to the East Germans.
- Adopted more stringent lending practices in dealing with other CEMA countries.
- Warned CEMA countries that further reductions in energy deliveries and other raw materials may be necessary.
- Pressed the East Europeans to provide more aid for Cuba, Vietnam, and other Soviet clients in the Third World.

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- 50. In the military area, Andropov has:
- Pressed his Warsaw Pact Allies to raise defense spending.
- Proposed at the Warsaw Pact summit in January that a study be made of the Warsaw Pact's "mechanism of cooperation," and called in June for a "further perfection of political interaction" based on the Warsaw Pact organization.
- Pressed at a specially convened Warsaw Pact summit in June for a unified expression of support for "countermeasures" in response to INF deployment.

51. In the area of ideology, Andropov has taken a hard line toward manifestations of nationalism in Eastern Europe that he construes as critical of Soviet dominance of the region. Soviet media have criticized the Romanians for harboring "antisocialist" tendencies in the party. Even loyal Bulgaria has drawn fire for promoting nationalism rather than "proletarian internationalism." At the same time the Soviets have initiated a joint East European demarche to China urging opposition to US imperialism.

52. To justify his efforts to tighten Soviet control over Eastern Europe, at the Warsaw Pact summit in January Andropov reportedly spoke in alarmist tones about the economic and military threat posed by the United States and its Allies. He warned that the consequence of economic dependence on the West was a "dangerous" vulnerability to Western pressure, and claimed that the arms race had reached a "dangerous" turning point. Other Soviet officials have said that CEMA planning must take into account the needs of a "crisis situation" and the possibility of "detente coming to a final end." Such hyping of the Western "threat"-while clearly serving Soviet interests in securing East European compliance-suggests that Andropov has decided it is time to push hard for greater Bloc cohesion.

53. These wide-ranging steps have produced more than the usual amount of tension in Soviet-East European relations, with even staunch allies such as East Germany and Bulgaria resisting some of Moscow's new pressures:

- Conflict over economic issues at the April meeting of CEMA secretaries forced a postponement of the CEMA summit the Soviets had been pushing for.

- Controversy arose at the Warsaw Pact summit in January over the Soviet effort to boost military spending. Ceausescu as usual argued against this, and maintained the socialist countries were partly to blame for the increase in international tension. Since then, Moscow has apparently obtained a commitment from East Germany to improve its military capabilities, but Romania, Hungary, and perhaps others are still resisting.
- The prospect of further Soviet nuclear deployments on East European territory has also created apprehension. The declaration of the June meeting of Warsaw Pact leaders failed to mention threatened "countermeasures" to INF deployment. The Romanians, who adamantly refused to endorse such countermeasures, reportedly won the cautious support of some other states.
- Romanian and to a lesser extent Polish media have engaged Soviet newspapers in open polemics over ideological questions for the first time in years.
- Romanian media implicitly criticized Moscow for not providing more economic assistance, and the Romanian delegation at CSCE talks in Madrid endorsed Western amendments opposed by the USSR.

54. Looking Ahead. In dealing with Eastern Europe, Moscow has been pursuing for decades many of the objectives Andropov has endorsed. It is possible that bureaucratic inertia will combine with resistance from East European regimes to prevent him from making much more headway than Brezhnev made. Nevertheless, the Soviet economic slowdown, the application of US sanctions after the Soviet invasion of Afghanistan, the increase in US military spending, and Poland's de facto bankruptcy appear to have galvanized the Soviets to do what they have long wanted to do: force the East Europeans to tighten their belts and reduce their dependence on Western imports, assume a "greater" share of the burden of the enormous combined Warsaw Pact military bill, and help out as well in problem areas of the Soviet economy.



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55. Andropov knows that with a deteriorating economic situation throughout the region full implementation of an austerity program would aggravate the danger of popular unrest in several East European countries. He may, nevertheless, be prepared to push fairly far:

- --- Andropov probably believes there is enough waste in the East European economies to impose some additional costs without cutting consumption sharply.
- He probably has considerable appreciation for the purely coercive power of the police in maintaining social order, and he may consequently place less emphasis on subsidizing consumerism as an instrument of control.
- He may hope that the introduction of some economic reforms in Eastern Europe will better enable the economies of the area to adapt to a tougher Soviet policy.
- He will attempt to limit the risks of austerity with a differentiated approach to the East European regimes. This Soviet policy could also help to keep them in line, by encouraging competition among them for Soviet energy and other raw materials.

56. Andropov will probably be inclined to complement his economic policies toward Eastern Europe with some further restrictions on political autonomy. He probably believes that any significant relaxation of restrictions on religious expression and cultural nationalism could combine with economic distress to produce disorder.

#### Poland

57. The Soviets have not exempted Poland from their drive for economic austerity and political orthodoxy in Eastern Europe. Last year they provided little, if any, hard currency assistance and reduced their soft currency trade surplus with Poland, although in November the Soviets decided to permit Poland a greater share of goods produced in joint Polish-Soviet projects. But this past spring the Soviets expressed concern about the implications for all of CEMA of Poland stretching out its repayment to Western banks over a 20-year period, thereby implying the desirability of a quicker repayment schedule even at the cost of further belt tightening by consumers. Soviet media have also warned Polish authorities against minimizing the danger of "counterrevolutionary" forces, and have urged a quickening of the pace of "normalization" and a firmer repression of opposition elements.

58. The decision to permit the Pope's visit—which could not have been made against Moscow's determined opposition—probably reflected Moscow's uneasy acceptance of Polish leader Jaruzelski's calculation that a papal visit that occurred without incident might give the Polish regime a degree of legitimacy. Nor did Moscow oppose the formal lifting of martial law and a limited amnesty because these measures were accompanied by repressive legislation designed to ensure continued tight controls over the population.

59. Looking Ahead. The Soviets appreciate that General Jaruzelski has given them most of what they wanted in Poland. They are not likely to unseat him unless they lose confidence in his loyalty or he proves completely unable to maintain public order. If he does not make a major miscalculation, they will continue to support him, and his area of tactical flexibility may gradually expand. The Soviets will, however, continue to maintain contacts with alternatives in the Polish leadership and otherwise pressure Jaruzelski to move more rapidly in rebuilding and strengthening the network of party-dominated institutions through which control of the population was exercised before the process of Polish liberalization began.

60. The Soviets will not necessarily oppose, but will be wary of, Jaruzelski's efforts to secure the cooperation of the Catholic Church. Although they would like Jaruzelski to revoke the gains made by the Church during the Solidarity period, they would see some advantages in a state-to-state concordat with Rome that required no concessions on the part of the Polish regime. But they would probably strenuously oppose any establishment of diplomatic relations with the Vatican that involved a legalization of the Church's role in Poland.

#### Afghanistan

61. Since his accession, Andropov has accented in principle the possibility of a negotiated withdrawal of Soviet forces from Afghanistan but reiterated Soviet

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determination to maintain a puppet government there. Soviet officials have continued to insist that the Marxist revolution is "irreversible," that no settlement involving a change of government is possible, and that Afghanistan's place in the Soviet sphere of influence is a "fundamental fact" that all parties must recognize.

62. Soviet media coverage of Afghanistan since November has appeared to be preparing the homeland for a prolonged struggle rather than either a withdrawal or a major escalation aimed at achieving a quick military victory. Militarily and politically the conflict has been stalemated during the past year, although the Soviets can point to specific gains that may sustain the hope of prevailing in the longer run. Politically, they have made no progress in extending the sway of the Babrak Karmal government, and the recent Mujahadin defeat of an elite Soviet-trained Afghan Army brigade confirms private Soviet acknowledgments that the complete subjugation of the guerrillas will take years. Soviet military logistics and housing construction in Afghanistan and the steppedup training of Afghans in the USSR strongly suggest the Soviets are preparing for a long stay.

63. While continuing to prosecute the war and working to build a Soviet-style political structure in Afghanistan, Andropov has used the UN-sponsored negotiations that began in 1981 to blunt international criticism of Soviet aggression and to press for direct negotiations between Afghanistan and Pakistan, which would entail Pakistan's recognition of the Babrak Karmal government. The Soviets have kept the Geneva talks going, but they have demonstrated no serious interest in making compromises to reach a political settlement. In June, Gromyko told the Pakistan Foreign Minister that Moscow would not accept any reference to Soviet troop withdrawals in the UN draft document, thus revoking a "concession" the Soviets had already made. In the meantime, the Pakistanis continue to support the Afghan rebels despite the fact that the Soviets have reportedly increased subversive activities inside Pakistan.

64. Looking Ahead. Andropov almost certainly does not intend to relinquish the new geopolitical position the Soviets have acquired in Afghanistan. While rejecting any political settlement that does not safeguard the Soviet position and guarantee an obedient government in Kabul, the Soviets will continue to seek ways of reducing the political and military costs of their occupation. They will:

- Continue military operations against the insurgents, try to undermine their popular support, and exploit their disunity.
- Continue to support Babrak Karmal while maintaining contacts with potential alternative leaders both within the Khalq and Parcham factions.
- Pursue negotiations with Pakistan both to keep up appearances and to motivate Pakistan to end support to the insurgents.
- Continue to put heat on Pakistan's President Zia by covert assistance to Zia's political opponents and tribal insurgents in Pakistan.
- Use military intimidation against Iran if necessary to influence Tehran to restrict support to the insurgents and to limit insurgent use of Iranian territory as a safehaven.

Although at some point Moscow may attempt to break the stalemate by massive reinforcement of its forces, we regard the likelihood of this as low in the near term.

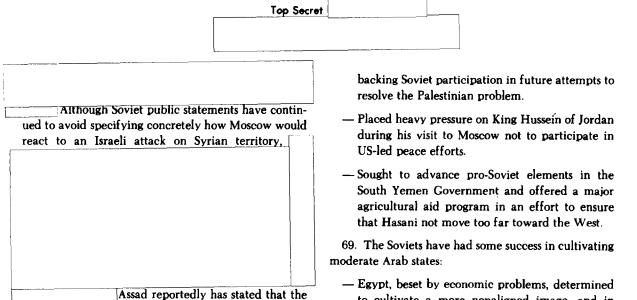
Middle East

Moscow's aid to Syria was in the most immediate sense a response to the Israeli thrashing of Syria's Sovietequipped forces in Lebanon. Yet strategically the Soviets have doubtless seen the conflict in Lebanon not only as a problem but also as an opportunity for improving their position in the Middle East on a longterm basis and frustrating US peace efforts in the region.

66. The Soviets reportedly agreed last summer to undertake the air defense of Syria proper only, not Syrian forces in Lebanon, and stipulated that this agreement was subject to periodic review. Since the initial SA-5 missile deployments in January, however, Soviet involvement has further increased.

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Assad reportedly has stated that the Soviets have expanded their security commitment to Syria.

67. Moscow responded to the May Israeli-Lebanon force evacuation agreement by attempting to aggravate tensions between Israel and Syria, by raising questions about the legitimacy of the Gemayel government that negotiated the pact with Israel and possibly condoning Syria's efforts to foster the emergence of an opposition government in Lebanon, by encouraging disruptive behavior on Syria's part, by providing Assad with new demonstrations of Soviet support, and by cooperating with Damascus to increase the Syrian military's level of readiness.

68. The Soviets have sought to complement their military support for Syria with a diplomatic offensive designed to increase their influence throughout the Middle East at the expense of the United States. Moscow has:

- Urged a rapprochement among Syria, Jordan, and Iraq.
- Tilted back toward Iraq in the Iran-Iraq conflict and increased its military supplies to that country.
- Encouraged Syria to cut off aid to Iran and to open the pipeline to Iraq.
- Attempted to use the disarray within the PLO to increase Soviet influence in the organization. The Soviets have made clear to Arafat that their support is contingent on his reconciling his political objectives with those of Syria and on his

- Egypt, beset by economic problems, determined to cultivate a more nonaligned image, and in need of parts for Soviet-made military equipment, has purchased Soviet spare parts and trucks and signed a trade protocol and a cultural agreement with Moscow.
- Foreign Minister Saud's visit to Moscow this past winter as part of a broader Arab League delegation was the first high-level Soviet-Saudi contact since the 1930s.
- Jordan's Hussein reportedly has become more outspoken in expressing the belief that Syrian and Soviet interests must be taken into account in any Middle East settlement.

70. Looking Ahead. The primary Soviet objectives will remain to increase their influence in the region and to stalemate US peacemaking diplomacy from which Moscow is excluded. At the present juncture, this means frustrating implementation of the 16 May Pact and getting the multinational peacekeeping force with its US contingent out of Lebanon. Over the next two years, it means undermining the US proposal for an overall Middle East settlement. The overriding Soviet interest is not so much to bring about a genuine resolution of the Palestinian problem but rather to insinuate the USSR into peacemaking diplomacy as a means of expanding its ability to influence events.

71. To this end the Soviets will intensify efforts to forge a new consensus of Arab states, including Saudi Arabia, Jordan, and Egypt, in support of their call for an international peace conference. The Soviet investment in Syria has made it easier for them to block US

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efforts. The Soviets will try to convince other Arab states that the only alternative to a stalemate is an international conference with Soviet participation.

72. The most important issue facing Andropov is the choice of a Soviet course of action in the event of Syrian-Israeli hostilities. Both Moscow and Damascus may have believed earlier this year that they would benefit from limited conflict confined to Lebanon. Tensions in Lebanon served to undermine the Israeli-Lebanese agreement, justify the Soviet presence in Syria, and emphasize the need for Moscow's inclusion in any settlement negotiations. The Soviets, in addition, probably hoped that polarization of the situation in Lebanon would bolster Assad's determination to remain aloof from US-sponsored talks.

73. The Soviets probably judge that confining military clashes to Lebanon would be difficult, particularly in view of the Soviet-manned SA-5 and command and control facilities in Syria. We believe that a major conflict between Israel and Syria would lead to Syria's defeat, involve Soviet casualties, further set back the reputation of Soviet arms, and once again demonstrate Moscow's inability to defend its clients from Israeli attack.

74. Although Moscow may not share our assessment of the likelihood of Syria's defeat, we believe that it is impressed with Israel's military capabilities and unlikely to encourage Syria to initiate or invite a major military conflict. At the same time, Moscow has continued to signal the steadfastness of its support for Syria, and there has been little indication that the Soviets are exercising a significant restraining influence on their clients:

- If conflict should come, the Soviets would still hope that the conflict would be confined to Lebanon. They would hope that they could avoid entering combat.
- If the Israelis conducted airstrikes over Syria, the Soviets would almost certainly use their SA-5s.

To avoid having to make the critical decision of choosing a course of action in the event of Syrian-Israeli hostilities, the Soviets are probably counting on Israel's reluctance to engage Soviet units, on the US ability to restrain Israel, and on Assad's desire to avoid an all-out war.

#### Central America and the Caribbean Basin

75. In the Caribbean Basin area the Soviets under Andropov have kept up their high level of military assistance to their chief client, Cuba; broadened their military aid for pro-Soviet regimes in Nicaragua and Grenada; and continued to support aid to the insurgency in El Salvador, which they expect eventually to deal the next major blow to US interests in the hemisphere. Although they have looked largely to Cuba to facilitate the delivery of arms to Nicaragua and El Salvador, avoided irrevocable commitments, and kept open alternative strategies, the Soviets have positioned themselves for a more assertive role in the region.

76. The Soviets have upgraded Cuba's military capabilities. This year Moscow has:

- Improved Cuba's early warning and air surveillance network.
- Improved Cuba's airlift capability.
- Strengthened Cuba's modest amphibious assault capability.
- Enhanced Cuba's limited ability to conduct antisubmarine warfare.
- In addition, the Soviets have expanded the Soviet military presence on the island 25X1 since 1981. Most of the 25X1 increase probably has been in military advisers and intelligence personnel 25X1 rather than in the Soviet combat unit.

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- Built hardened structures, possibly for ammunition storage, and increased vehicle storage space for Soviet forces in Cuba.

The Soviet decision to augment its military presence in Cuba and to beef up Cuba's military capabilities was probably motivated primarily by the Soviet-Cuban partnership in Central America and the tense state of US-Cuban relations.<sup>4</sup> The contingency preparations against any US attack on Cuba have reduced Cuba's vulnerability to actions the United States might take in response to the deployment of Cuban military personnel in Nicaragua.



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77. Since Andropov's accession, the Soviets and Cubans have stepped up their military support to the Sandinistas. Consistent with the historical pattern, there has been a division of labor between the Soviets and Cubans in Nicaragua. The Cubans have provided the bulk of the in-country military personnel:

- 1,500 to 2,000 Cuban military and security personnel are now in Nicaragua.<sup>5</sup>
- The general formerly in command of Cuban forces in Ethiopia has reportedly been sent to Managua to oversee Cuban military activities in Nicaragua.
- Cuban security advisers probably exert significant influence within the Nicaraguan Ministry of Interior.

78. The Soviets have provided weaponry and logistic support. They have orchestrated deliveries of military equipment from other Bloc countries as well as Cuba. There have been \_\_\_\_\_\_ seaborne arms deliveries to Nicaragua from the Bloc thus far this year,

ranging from trucks and field kitchens to MI-8 helicopters, tanks, and artillery. Moscow has shipped MIG-21s to Cuba for possible use by Nicaraguan pilots.

79. Although the Soviets have refrained from publicly committing themselves to Nicaragua's defense, Moscow's military support for Nicaragua has nevertheless grown since Andropov's accession. The volume of equipment shipped directly from the USSR to Nicaragua has escalated this year,

80. Meanwhile, the Soviets have conducted a major political and diplomatic campaign to create an envi-

ronment that would inhibit the United States from aiding anti-Sandinista forces and to provide a political cover for Soviet actions:

- In late April, word was reportedly passed to Soviet propaganda organizations to begin a blitz aimed at mobilizing West European public opinion against US "aggression" in Nicaragua.
- On the diplomatic circuit, the Soviets disingenuously put out the word that they had no particular interest in Central America or plans for involvement and recognized a special role for the United States in the region.

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- The Cubans, for their part, have treated Western leftists with tantalizing suggestions that a non- Marxist government in Managua was acceptable to them and to claims that the Soviets were pessimistic about the revolutionary movement in	25X1
Central America, that they were urging restraint, and that they provided mostly foodstuffs to Nicaragua.	25X1
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This public relations effort is consistent with Soviet propaganda techniques.

81. In El Salvador the Soviets have continued the dual strategy of providing military assistance through surrogates while promoting negotiations to put the onus for continuation of the war on the United States. The pattern of arms deliveries to El Salvador suggests that the Cubans probably decided to increase the flow of arms in support of a new offensive the guerrillas launched last fall. From October to June has been the longest period of sustained guerrilla activity since the insurgency began. During this period the Soviets have evidently increased their efforts to give the Salvadoran Communist Party a more prominent role in the guerrilla movement.

82. Elsewhere in Central America and the Caribbean:

 The Soviets followed through with prompt deliveries of supplies to Grenada, promised when Moscow decided last summer on a major acceleration of aid, sent economic advisers, brought 25X1

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Grenadians to Moscow for military training for the first time, and explored the possibility of naval access.

- Vietnam offered military assistance to the Guatemalan Communist Party for the first time, and the Soviets reportedly offered to facilitate shipment.
- Cuba has assisted in construction of a major airport and a nearby military installation in Grenada.

83. Looking Ahead. Because Central America is not crucial to Moscow's essential strategic concerns and because the largely covert character of their aid makes it possible for the Soviets to change course without too great a loss of face, it is conceivable that the Soviets may attempt to use the region as a bargaining chip in future talks with the United States. But we believe that, at least for the nearer term, the incentives for continued Soviet involvement outweigh the disincentives:

- The Soviets doubtless see greater opportunities for seriously damaging US interests here than in other Third World areas.
- Although the Soviets cannot be absolutely certain how the United States would respond to any of a number of further moves they might make, they doubtless believe the US administration's policy in the region is likely to be constrained by domestic political pressures.
- The Soviets are not eager to commit themselves to bankrolling any new client to the extent that they have Cuba and Vietnam. But they probably believe that even if they do make a stronger commitment to Nicaragua they can hold costs down because that country is not isolated internationally as Cuba was in the 1960s and because its population is only 2.5 million.
- The Soviets doubtless realize that funneling aid through Cuba has the disadvantage of making the recipients feel more beholden to Cuba than to the USSR, but they will still work hard to ensure the support of these recipients in international forums.
- Moscow realizes that while its influence over Castro is not unlimited, mutual Soviet and Cuban

objectives, coupled with the more important fact that Moscow controls the purse strings, provide the USSR with considerable leverage.

84. In Nicaragua it is highly probable that the Soviets will cooperate with Castro in providing additional Cuban military personnel and more weaponry if the insurgency does not wind down. They may also increase somewhat the number of Soviet advisers, training of Nicaraguans, and direct participation in arms deliveries. The Soviets do not believe the Sandinistas are in immediate danger of toppling, but the insurgents' ability to sustain their military operations in Nicaragua, the defection of the most popular Sandinista leader, and the population's growing disenchantment with the regime may have raised concerns in the minds of Soviet leaders about the Sandinistas' long-term prospects. The extent to which Soviet and especially Cuban personnel have been integrated into the country's security and political apparatus indicates that they are digging in for an extended stay and are engaged not only in assisting military operations but in building a Soviet- and Cuban-style political and military structure.

85. Currently, Soviet leaders probably believe it unlikely that an augmentation of Cuban military personnel in Nicaragua would in itself provoke Washington to send US combat troops to the region:

- They doubtless recognize that Sandinista control of the government enables them to portray their assistance as aboveboard aid to a legitimate government beset by US-inspired subversion.
- Moscow may decide to associate itself publicly with parts of the Contadora group's diplomatic program to bring about a reduction of pressure on the Sandinistas from Honduras. The Soviets might expect this to increase the credibility of their charges that the United States is sabotaging peacemaking efforts.
- By infiltrating Cubans into the country gradually, and at least initially furtively, the Soviets and Cubans hope to dilute adverse political reactions in Western Europe and to minimize the chances of a forceful US response.
- The Soviets may attempt to exact a quid pro quo from Soviet-supported clients in other regions by pressing them to volunteer for military duty in



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Nicaragua, thus giving support for the Sandinistas an international flavor. Reportedly, the PLO already has personnel training in Cuba for service in Central America.

86. By not making a formal commitment to defend Nicaragua, the Soviets have left themselves room to back off if they change their assessment of the costs and benefits of assisting Nicaragua. They will carefully calibrate their actions in accordance not only with military requirements on the ground but also with their reading of likely reactions by Washington and other actors. Thus, MIGs are reportedly to be sent to Nicaragua only "when the international situation permits."

87. The Soviet assessment of the situation in El Salvador may dictate a strategy of pursuing a war of attrition over the next few months, while working to consolidate the regime in Nicaragua and attempting to position the Salvadoran Communist Party for a leading role in a future Marxist regime in El Salvador:

- The Soviets recognize that the insurgents in El Salvador have little popular support and cannot win a popular election.
- They have reportedly concluded that the current level of US military assistance is sufficient to preclude an undisputed military victory for the guerrillas.
- The Soviets reportedly are more optimistic about guerrilla prospects in El Salvador over the next few years, in part because they probably feel confident that US domestic pressures will continue to hamper efforts by the US administration to increase US aid.

#### Southern Africa

88. Soviet policy toward southern Africa has remained essentially disruptive. The Soviets under Andropov have maintained their efforts to discredit US efforts to build political bridges to the "frontline" states and to sow further dissension between South Africa and its black African neighbors:

- The Soviets have remained intransigent against linking Cuban troop withdrawals from Angola to a settlement in Namibia, have applied pressure on Angolan President Dos Santos not to strike such a deal, and reportedly have sought to protect the political position of their chief supporter in Dos Santos's government.

- To maintain their leverage in Angola and to give Dos Santos the wherewithal to pursue operations against UNITA (National Union for Total Independence of Angola) insurgents and South African incursions more vigorously, the Soviets have increased their direct military assistance (including SA-8 surface-to-air missiles and MI-24 Hind helicopters). Dos Santos, who apparently obtained a new aid package when he visited Moscow in May,
- To give Mozambique's President Machel the ability and incentive to continue opposing South Africa and to shore up the deteriorating internal security situation, the Soviets for the first time have supplied MIG-21s and provided a limited military air transport capability. A new trade agreement advantageous to Mozambique has also been signed.
- The Soviets have continued to channel arms to the ANC (African National Congress) insurgents, who have recently made greater use of urban terrorism in South Africa.
- Moscow has had some success in its efforts to improve relations with Zimbabwe. Prime Minister Mugabe has agreed for the first time to a small weapons purchase, and following a tour through Eastern Europe this past spring he announced plans for his first visit to the USSR in October.

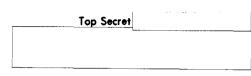
89. Looking Ahead. No change in Soviet inflexibility regarding Namibia is in sight. We believe that if Dos Santos did appear ready to agree to a Namibian settlement involving a Cuban troop withdrawal, Moscow would greatly intensify its pressure on him and might even support a coup attempt by more strongly pro-Soviet elements within his government.

90. The Soviets will continue to support Machel. Advances by the South African-backed insurgents that threaten to topple his regime would increase the likelihood of the Soviets encouraging Cuba to send

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troops to Mozambique. The Soviets, of course, are doubtless fully cognizant that the arrival of Cuban troops would not only risk provoking a war between South Africa and Mozambique that would be difficult to win but would also further strain Soviet relations with Washington. A movement of Cuban troops into Mozambique, however, could have some compensations from the Soviet perspective:

- If the introduction of Cuban troops provoked a South African attack this would put Moscow in the position of defending black Africans against attack by white "imperialists."
- With heightened tensions between Mozambique and South Africa, other states in the region might be receptive to renewed Soviet military assistance overtures.
- The introduction of Cuban troops would stiffen Pretoria's resistance to concessions in Namibia, thus scuttling the US-backed peace initiative.

#### China

91. The limited improvement in Sino-Soviet relations began before Brezhnev's death, when the Soviets evidently decided the souring of US-Chinese relations had created propitious circumstances for an overture to Beijing. Secretary Suslov's death may have eased the process of establishing a dialogue. Andropov, who has been intimately involved for 25 years in dealing with the China problem, probably had a major say in the Soviet decision to enter into the first round of talks in October. The dispatch of one of his personal confidants as an emissary to China suggests that Andropov wants to keep alive the momentum for easing tensions further.

92. Aside from a general improvement in atmospherics and the holding of a second round of consultations, concrete steps toward normalization since November have been limited to the signing of some academic and technical exchange agreements, the conclusion of a trade agreement that may raise bilateral trade to its highest level since the early 1960s, a resumption of cross border trade in Central Asia, and a Soviet decision to buy Chinese textiles barred from the US market by import quotas. There have been rumors of "basic agreement" to open consulates in Shanghai and Leningrad, denied by both parties. The Soviets and Chinese have agreed to hold a third round of talks in the fall. Soviet Deputy Foreign Minister Kapitsa is to visit Beijing soon at the invitation of the Chinese Government rather than in his previous capacity as a guest of the Soviet ambassador.

93. The Soviets, however, have not yet taken any concrete moves toward satisfying what the Chinese claim are preconditions for any significant breakthrough: withdrawing from Afghanistan, ending support for Vietnam's military operations in Kampuchea, and reducing Soviet forces opposite China—including those in Mongolia:

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- Soviet media have reaffirmed Moscow's position on Kampuchea and Afghanistan.
- Mongolia has expelled large numbers of Chinese residents—an action that undoubtedly required Moscow's approval.
- The Soviets have continued to increase active military units in the Far East and to provide them with more modern equipment.

Consequently, there has been no movement on the major issues.

94. Looking Ahead. The Soviet leadership sees China as a power with vast ambitions that pose a fundamental and implacable threat to the USSR over the long term. They fear that, although technological backwardness currently constrains China's expansionism, the Chinese in time will ally with the United States and Japan, combining their human and material resources with imported technical-industrial capability. The Soviets have no expectation that the Chinese are interested in a permanent rapprochement along the lines of their alliance in the 1950s.

95. The Soviets consequently have little inclination to satisfy China's major demands, which would jeopardize many of the strategic gains they made in Asia during the Brezhnev years:

 Despite Vietnam's economic dependence on the USSR, any strong Soviet pressure brought to bear

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on Vietnam to come to terms with China over Kampuchea would probably endanger Soviet access to Vietnam's base facilities, which the Soviets use not only to block Chinese advances but also to counter US military capabililties. Moscow's concern that ASEAN (Association of Southeast Asian Nations) countries are increasingly willing to cooperate with the United States on security issues strengthens Soviet interest in expanding Soviet naval and air presence in East Asia.

- China's insistence in March for the first time that Soviet force reductions include the removal of SS-20s from Asia may have stiffened Soviet opposition to any significant force reduction. Soviet military leaders, including Ustinov, have taken an especially hard line toward China over the years, and they may have dug in their heels when the Chinese introduced this new position.
- The Soviets are highly unlikely to take actions that could threaten their domination of Afghanistan for the sake of conjectural and possibly insubstantial future advantages in gaining Chinese goodwill.

96. Moscow, nevertheless, has a strong desire to check the erosion of its strategic position in the Sino-Soviet-US triangle, and the Soviets may believe that China's dissatisfaction with current US policies provides them an opportunity to do so without making major concessions. Accordingly, the Soviets probably intend to continue a two-track approach. They will improve their military position in Asia while working to isolate China diplomatically in Asia. But they will probably also take a number of small steps designed to bring about a limited rapprochement with China and thereby to increase Washington's reluctance to help China modernize its economy and its military. These steps are likely to include:

- Proposing a further expansion of ties including commercial agreements on terms beneficial to China.
- Suggesting confidence-building measures, such as advance notification of military exercises along the border and acceptance of observers at those exercises.

- Muting public support for Vietnam and encouraging direct Sino-Vietnamese talks.
- Intensifying professions of interest in a political settlement in Afghanistan.
- Exploring with China the possibility of reestablishing party-to-party contacts.

97. If measures such as these do not prove sufficient to keep Chinese interest in continuing negotiations alive, the Soviets could undertake the following limited measures:

- Do some bargaining on specific territorial disputes, such as the border on the Amur and Ussuri Rivers.
- Agree to modest troop cuts in Mongolia in exchange for China's agreement to sign a nonaggression treaty with Mongolia.
- Negotiate small mutual force reductions along the Sino-Soviet border, in exchange for a nonaggression treaty between Moscow and Peking.
- Portray to the Chinese as a major concession any decision to limit SS-20s in the Far East even though such a decision would be based on their own strategic interests.

In sum, the Soviets are prepared to make some token concessions to China but none that will affect their strategic position in Asia.

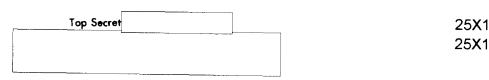
#### Implications and Outlook

#### Andropov's Assessment of the United States

98. The Andropov regime believes the current US administration has embarked on a broad counterattack to reverse the military and foreign policy gains the Soviets have made over the past decade and to reestablish US global predominance:

— From the Soviet point of view, the most threatening aspect of the US administration's approach is the attempt to alter the balance of military power by accelerating US defense spending to strengthen US military capabilities. The Soviets are probably confident of their ability to counter a more vigorous US defense effort over the short

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term because of the advanced stage of Soviet R&D programs and the fact that many of the US systems under consideration will not be deployed until the late 1980s. But they are concerned for the future and are probably particularly worried about the US potential for major technological breakthroughs.

- The Soviets doubt that the US administration has any genuine interest in agreements that would inhibit major US strategic programs. They see US arms control proposals essentially as political rear-guard actions intended to reduce domestic and West European criticism of the administration's military programs.
- The Soviets believe the US administration is actively trying to undermine the Soviet economy, both by upping the ante in military spending and over time by shaping a concerted Western policy of economic denial against the USSR.
- The Soviets also believe that the US administration harbors ambitions to politically destabilize the USSR and its East European Allies through such measures as the "democratization" campaign.
- Finally, the Soviets condemn what they see as the US administration's policy of resisting in a more determined fashion further Soviet encroachments in the Third World.

99. The Soviets see little prospect that the current US administration will change its policy toward the USSR of its own volition. At the outset of the President's term, many Soviet officials were hopeful that he would turn out to be "another Nixon" who, despite his conservative background, would put a high priority on achieving a modus vivendi with the USSR. They now appear to believe, however, that the Reagan administration is dominated by "extremists" driven to a greater degree than previous administrations by ideology rather than pragmatism, less inclined to insulate arms control or East-West economic dealings from the broader context of bilateral relations, and generally less willing to acquiesce to the Soviets in the international arena. Nor do the Soviets see conflicts within the administration that could produce greater flexibility in US policy in the immediate future.

100. Despite this negative assessment of the basic thrust of the current administration's policies, the Soviets are probably less alarmed about the practical consequences of these policies than they sometimes profess to be. This is partly because the Soviets believe that the administration has not always executed its policies effectively, especially in dealing with Western Europe. The Soviets reportedly also believe the current US administration's handling of China facilitated a warming of relations between Moscow and Beijing. More important, Soviet leaders probably still believe "Reaganism" will eventually yield to a more "realistic" US policy.

101. The Soviets do not anticipate an early return to the climate of the early 1970s. They recognize the unlikelihood that any US administration today would accept the notion that engaging the USSR in dialogue and expanding bilateral economic relations could encourage significant liberalizing change in the USSR or mitigate the Soviet leadership's fundamental hostility toward the West. They probably see the development of increased American skepticism about the rewards of detente as a secular trend predating President Reagan's election and transcending the particular preferences of any single US administration.

102. Nevertheless, they probably believe that profound changes in the world "correlation of forces" have reduced US influence in the world, that this process has not yet run its course, and that over the long run social and political problems in the United States and the Western Alliance will make it difficult for the United States to sustain competitive policies. For this reason, despite their concerns about the vigor of their own system, they may see the US administration's "confrontational" stance as an historically doomed attempt to recoup the ground lost since Vietnam.

103. In fact, the Soviets believe that pressures on the US administration from domestic critics can take much of the sting out of the President's "anti-Soviet" policies:

 The Soviets believe the President is particularly vulnerable to pressure from commercial interests, which they credit with forcing termination of the grain embargo.

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- They believe the Vietnam syndrome has placed limitations on the President's ability to maneuver in Central America and elsewhere in the Third World.
- They probably believe that political support for the administration's military programs is eroding.
- The nuclear freeze movement in the United States has been a pleasant surprise for the Soviets.

104. Equally as important, as the Soviets see it, is the extent to which they can profit from West European perceptions that their interests diverge from those of the United States-as highlighted by the pipeline controversy. The Soviets are cognizant that the election or reelection of conservative governments in several Western countries, the reinvigoration of Western defense spending, and the partial economic recovery of the West could strengthen the Western Alliance. On balance, however, at least in their long-range planning, they probably still regard Western Europe and especially West Germany as vulnerable to Soviet pressures and blandishments. They know that West Germany remains constrained by its desire to improve intra-German relations. They also see that the foreign policy consensus among major West German parties has dissipated, that a minority of the West German electorate has shifted toward a neutralist position, and that public opinion in some other Western countries is moving in the same direction. They hope that these trends will combine with US-West European economic competition to produce new strains on the Alliance.

105. The Soviets also see the availability of Cuba and other Communist proxies and intermediaries as a significant asset in international competition. The proxy relationship minimizes the level of direct Soviet involvement while achieving Soviet aims and projecting the ideological image of "socialist solidarity" with the recipient regimes and insurgencies. They also count on other states such as Syria to support their efforts to undermine US policies in various regions of the world.

106. In sum, the Soviets probably expect domestic and foreign pressures to impede but not to reverse the US administration's policies.

### **Overall Strategy**

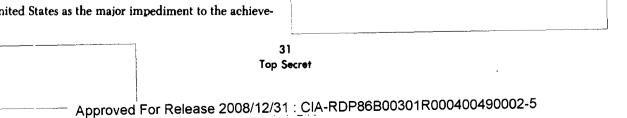
107. Because Soviet leaders continue to see the United States as the major impediment to the achievement of their global ambitions, the objective of countering and influencing US behavior will remain central to their foreign policy strategy. They would prefer to lower the cost of technological competition and the risk of geopolitical confrontation by reaching bilateral agreements with Washington, but only on terms that would not impede a further expansion of Soviet power and influence.

108. At least for now, the Soviets are likely to continue relying on pressure tactics rather than on direct overtures to establish a dialogue with the United States. Moscow will:

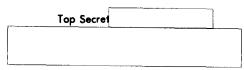
- Seek to demonstrate its determination and ability to improve its military capabilities.
- --- Intensify efforts to split the United States from its allies, perhaps by emphasizing areas of particular interest to West Europeans-such as MBFR or the Conference for Disarmament in Europe.
- Work to isolate the US administration within the United States by appeals to Congress, the business community, and broader public opinion.
- Show at least enough flexibility in dealing with China to keep US fears of a Sino-Soviet rapprochement alive.
- Continue to challenge US interests in the Third World.

109. In the next two years, there are a number of branch points at which the Soviets will have to decide whether to continue their current policy or to change one or more of its elements. In the immediate future the main issue affecting US-Soviet relations will be INF, making this fall an important testing period in US-Soviet relations. The Soviets will have to decide if they wish to limit US deployments through a compromise agreement or to attempt to exert heavy pressure to undermine NATO resolve. We expect the Soviets to choose the latter course.<sup>6</sup>

110. If, as we expect, the Soviet campaign fails and NATO deployment proceeds on schedule, the Soviets will have to decide how to implement their longthreatened countermeasures. Essentially, the Soviets will have to choose between actions that can be



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portrayed by them as carrying out their threat without provoking a confrontation (for example, highly publicized deployments of SS-23s in Eastern Europe, buildup of Soviet IRBM forces in the USSR, SLCMequipped submarines close to US shores); or they could risk a fullblown East-West crisis by highly provocative activities in Cuba. We expect the Soviets to choose the first course.

111. By spring 1984 the Soviets will be increasingly sensitive to the implications for them of the upcoming US Presidential election. They clearly would prefer to avoid actions that could boost President Reagan's reelection prospects. But at the same time they hope that the President will feel a political need to achieve concrete results with Moscow. Gromyko's June interview reiterated the Soviet requirement that any summit address fundamental issues and added that the United States must change at least some of its policies before a Reagan-Andropov meeting could take place. If the Soviets decided that domestic pressures had led the President to feel a political need to display flexibility and to achieve concrete "results" in dealing with Moscow, and if the Soviets had reason to expect that they would consequently not leave a summit emptyhanded, they might agree to a meeting.

112. The Soviets increasingly see the 1984 US election as an important event in US-Soviet relations. The victory of a presidential candidate, of either party, perceived by the Soviets to stand for a staunch anti-Soviet approach would reinforce their concern that the whole US political spectrum has shifted to the right.

113. Regardless of the outcome, the 1984 US Presidential election will not by itself occasion a fundamental change in Soviet foreign or military policy. Soviet behavior in the international arena will be affected by many other variables. These would include such factors as the nature of US relations with the NATO Allies, the stability of the Soviet position in Eastern Europe, and the state of the US and Soviet economies. No matter how the Soviets interpret the international situation, a comprehensive accord on bilateral relations or geopolitical behavior would remain precluded by fundamentally divergent attitudes toward what constitutes desirable political or social change in the world order.

114. In sum, Soviet behavior in the international arena since Andropov's accession has given no indication of an inward turn on Moscow's part to the neglect of its position in the international arena. Rather, he has given a vigorous new style to the assertive policies of the Brezhnev period.

115. Although Andropov's poor health casts some doubt on his longevity and his ability to participate fully in policy execution on a day-to-day basis, it should not affect the main lines of Soviet foreign policy. Even his incapacitation or death would not produce any immediate shift in overall Soviet strategy, although it could result in tactical changes in particular areas of policy and could affect policy implementation. In the longer term, the next political succession could be a catalyst for a larger reorientation if a significant segment of the leadership had come to question the general thrust of current policy. We do not believe that such pressure for an overall change of direction exists within the Soviet leadership at present.

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