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2 October 1986

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GORBACHEV'S POSITION ON THE EVE OF THE SUMMIT

General Secretary Gorbachev will be coming to the meeting in Iceland in a strong domestic political position, and will be able to exercise broad latitude in negotiating and tactics. He wants to cut a deal on arms control in part to advance his long-term economic agenda, but is under little immediate economic or political pressure to reach a quick agreement and would probably prefer to shelve the US visit than concede too much in Iceland.

Since your last meeting Gorbachev has strengthened his position in the leadership.

- He has added additional allies to the Politburo and put remaining Brezhnev holdovers on the defensive.
- Although there were reports of tension between Gorbachev and the number two man in the party--Ligachev--last year, recent evidence indicates that Ligachev supports the full range of Gorbachev's domestic and foreign policies.
- Gorbachev's month long summer vacation in the Crimea, his extensive plans for foreign travel over the coming year, and especially his vigorous pursuit of a summit suggest that he feels politically secure and self confident.

Over the past year Gorbachev also enhanced his power over the decisionmaking process by gaining operational control over the central party apparatus, particularly in the foreign policy sphere.

- At the party congress in March, Gorbachev successfully packed the Secretariat--the party's executive arm. All but three of the ten other members of this key body gained their positions under Gorbachev.
- Gorbachev tightened his already strong grip over foreign policy by building up Dobrynin's department in the Secretariat as a counterweight to the Ministries of Defense and Foreign Affairs.

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Major elements of Gorbachev's domestic policy--the discipline campaign and anti-corruption measures--have enhanced the KGB's role and by most accounts KGB chief Chebrikov appears to be an ally.

For now, moreover, Gorbachev also appears to have the backing of the military for his economic strategy.

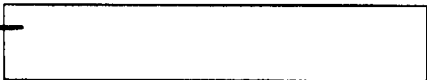
- He has successfully muzzled forces in the military that put top priority on current defense needs and won support for his strategy that Soviet long-term security interests require building up the country's overall economic base.
- He told top military leaders in July 1985 that the party runs the military, and that if they can't use their resources better he will find generals who will-- subsequently he made a number of top-level changes in the military.

Gorbachev's new foreign policy team is pressing a strategy of arms control primarily to undercut long-term pressure for increased defense expenditures.

- His economic strategy requires keeping a lid on current defense spending in order to modernize the economy and allow it to compete more successfully with the US over the long haul.
- To this end he wants a stable, predictable relationship with the US.
- He does not need an "agreement" for its own sake and will hold out for terms that advance these objectives, e.g., blocking SDI.
- At the same time he appears to have a more realistic appreciation than past Soviet leaders that he may not be able to get such an agreement cheaply, even though he will try.

Gorbachev's efforts to pursue this strategy have almost certainly led to some arguments over specific moves and skepticism in some quarters about the wisdom of his approach-- particularly to summitry. But, he does not appear to face concerted opposition to his foreign policy. While the Politburo ultimately decides Soviet foreign policy, it appears to be giving him considerable leeway to take the lead.

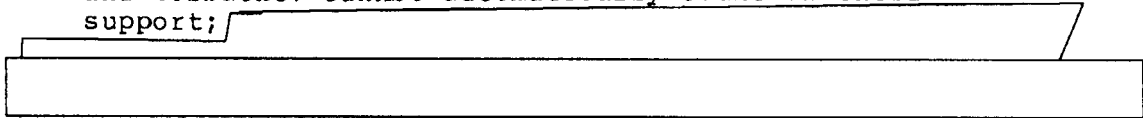
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- Gorbachev's letter to you proposing the Iceland meeting indicates that the Politburo has given him a mandate to conduct negotiations even though there is no promise of success.
- He has demonstrated his ability to get approval of controversial arms control measures, such as the nuclear testing moratorium and concessions on INF, that impinge on the interest of the military.
- In making foreign policy he does not have to contend with the large number of entrenched and powerful bureaucratic interests of the sort that impinge on his ability to shift domestic policy. The Soviet foreign policy apparatus is very small.
- Most Politburo members have little experience in foreign policy and are more concerned with domestic policy issues that directly affect their own spheres of influence.

A positive summit would clearly be a plus for Gorbachev at home, and would give him political momentum he could transfer to his domestic agenda. But even though his Politburo colleagues are giving Gorbachev wide latitude to negotiate with you, he will still need to convince them that the results of the meeting advance Soviet interests.

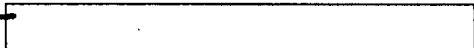
- The other Politburo members are politically independent and Gorbachev cannot automatically count on their support;



- Since your last meeting he appears to have been spending a lot of time defending his US policy.
- Some reports suggest Gorbachev drew criticism in the Politburo following your Geneva meeting for not achieving more tangible results.

If he missteps in the negotiations with you--for example by being perceived as too accommodating--he would damage his political position at home, limiting his future freedom of action in the foreign policy sphere and making it more difficult to confront entrenched interests at home.

- Unhappiness with the results of the meeting, particularly within the military, could provide ammunition for opponents who are threatened by his domestic policies and want to limit his power.



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It is perhaps for this reason that Gorbachev chose to seek a meeting with you outside the United States to explore--first hand--whether there are real prospects for concrete agreements addressing Soviet concerns.

-- If he can't get results in Iceland that advance his longer term objectives, Gorbachev would put the Washington summit on hold for now, arguing that more preparation is necessary to make it successful and hoping that the delay will bring pressure on the US to be more forthcoming.

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