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State Dept. review completed

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Indochina: ~~Maneuvering for Position~~

South Vietnamese advances into the Tchepone area last week have triggered sharp Communist counterthrusts. Heavy fighting raged this week around a string of fire support bases just south of Route 9.

Communist pressure against the allied rear also is likely to grow. More shellings of the kind that struck Khe Sanh this week are certain, perhaps in tandem with a stiff infantry attack or two in this sector.

Cambodia Passes a Milestone

The government in Phnom Penh has begun its second year in power with undiminished determination to resist Communist aggression but with a future clouded by the prospect of more hard fighting ahead and growing internal political discord. The regime can take pride in the fact that, in the months that have elapsed since Sihanouk was sent packing to Peking, it has managed to survive continuing enemy pressure and other misfortunes brought on by the war.

The Cambodian leadership can also be grateful that the Communists have been either unable or unwilling to bring more than a modest amount of military muscle to bear against them thus far during the current dry season. Late last year, when the enemy launched a series of telling attacks on government positions along Routes 4 and 7, it appeared that the Communists were going to increase the scope and tempo of the war in Cambodia. Following the successful intervention of South Vietnamese task forces to break their hold over the highways, however, the Communists have staged only two significant military

actions—the attack on the Phnom Penh airport, and the raid on the Kompong Som oil refinery. Both of those attacks were carried out by small numbers of enemy troops, and may well have been executed as much for psychological as for military or economic impact.

For most of the current dry season the Communists have confined themselves to a series of minor harassing attacks against scattered government positions in the countryside. Although they have also kept a fairly steady and effective level of pressure against main lines of communication, they have not—as previously anticipated—done so against major population centers. In Phnom Penh, terrorist incidents have fallen off sharply.

Since early February, most of the Vietnamese Communists' crack combat regiments have been tied down in Kompong Cham and Kratie, defending their bases and supply lines against large-scale South Vietnamese clearing operations. Their preoccupation with those operations and their disruptive effects—as well as with the South Vietnamese push into south Laos—clearly have prevented them from doing more military damage to the Cambodians.

The Political Picture

Although the military situation is generally calm for now, the political climate in Phnom Penh is becoming more clouded. Lon Nol's absence, and the uncertainty surrounding his future political role, have helped foster a spate of rumors about antigovernment demonstrations, allegations about coup plots, and speculation about potential candidates to replace the ailing prime minister. The government evidently is aware of much of this restiveness, but the leadership appears confident that it will not present any unmanageable problems.

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Although the government has been unsuccessful in pinpointing the ringleaders who would be involved in possible demonstrations or other antigovernment activities, it did take a number of steps to ensure that the first anniversary of Sihanouk's ouster passed quietly in Phnom Penh. Demonstrations were banned, a curfew was imposed, and the army was placed on alert. Earlier in the week, the regime put out the line that it had foiled a plot to restore the monarchy. The press in Phnom Penh was told that Acting Prime Minister Matak had ordered the arrest of a number of officers who allegedly were moving to place a member of his family on the throne.

regrouping and taking up positions near Ban Houei Kong, west of Site 22.

There are continuing signs that the Communists may again move on Ban Houei Sai, a government position on Route 23 near the northern side of the plateau where the North Vietnamese suffered a severe setback in early January. That attack appeared to be intended to open the northern approaches on the plateau and to force the government to redeploy some of its troops from positions on the eastern rim of the plateau overlooking the Communist supply routes to Cambodia. In view of their success in ousting government forces from the eastern part of the plateau this month, however, the Communists may see little reason to make an all-out effort against Ban Houei Sai at this time. They will probably continue to put pressure on the position, however, particularly because it is now defended by regular army troops.

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Whatever the case, Matak has moved adroitly to defuse what was potentially an explosive situation. Nonetheless, although the regime probably can continue to count on broad support for its conduct of the war, the relative political harmony that existed before Lon Nol became ill is not likely to be restored in the near future.

Mostly Quiet in the Other Laos

Ground action has remained at a fairly low level throughout most of Laos for the past week. Small-unit clashes and shelling attacks continued around the Long Tieng complex, but no major positions changed hands.

The situation on the Bolovens Plateau has quieted down since the Communists overran Site 22 on 9 March. Only one enemy battalion remains near the position, which has been leveled by tactical air strikes, as other elements of the NVA 9th Independent Regiment have pulled back to the east. For their part, government forces are

Souvanna and the Communists

Both Moscow and Peking have recently reiterated their preference for Souvanna's leadership, despite his acquiescence in the South Vietnamese incursion into Laos. Both countries have made it clear that they regard Souvanna as crucial to maintaining political stability and keeping alive the possibility of a future political settlement under the umbrella of the Geneva Accords. Although the Communists may doubt the efficacy of Souvanna's "neutrality" as a restraining influence on allied operations in Laos, they are clearly reluctant to see the 1962 agreement, which legitimizes the Lao Communist movement and affords it a position in a coalition government, completely abandoned.

Last fall, the Chinese charge in Vientiane provided the first indication of China's position on this subject when he said China wanted to see Laos return to "strict neutrality," with the Neo Lao Hak Sat (NLHS) participating in the government. He also stated he was doing everything he

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25X1 could to persuade the NLHS to negotiate with the Royal Lao Government. Subsequently, in late February, [redacted]

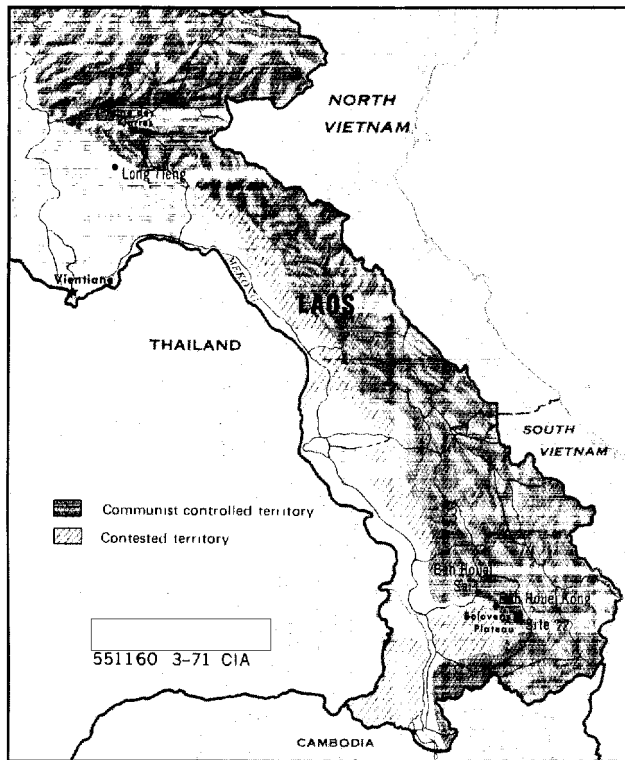
25X1 [redacted] Other Chinese officials in Vientiane have also made it known that Peking is backing Souvanna and that China will support Laotian neutrality and all other provisions of the Geneva Accords that concern it.

Moscow has also recently stressed its continuing support for Souvanna Phouma's leadership. During a conversation with a US Embassy official in Moscow, on 9 March, the deputy chief of the Foreign Ministry's Southeast Asian Division flatly stated that the Soviets still view Souvanna as prime minister despite their official position that the tripartite coalition government has collapsed. The Soviets told the Japanese essentially the same thing on 8 March. Moscow's expressions of support for Souvanna seem designed in part to prevent possible challenges to him from Laotian rightists. Like the Chinese, Moscow clearly thinks Souvanna's continued presence at the head of the Royal Laotian Government is far more desirable than the uncertainties that would attend his overthrow by other non-Communist elements.

Souvanna himself has made another move in the prolonged war of words about peace talks with the Pathet Lao. He told the press of his letter of 1 March to Lao Communist leader Souphanouvong requesting renewed efforts to move forward on internal Lao peace talks. The Communists have yet to reply to this message, and it is likely that the contents of the letter will be leaked to the press fairly soon, furthering the impression that Souvanna is eager for progress.

Campaign Maneuvering in South Vietnam

The campaign strategies of the major contenders for South Vietnam's presidency are beginning to take shape. Big Minh is formulating a



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position distinctly different from President Thieu's increasingly hard line.

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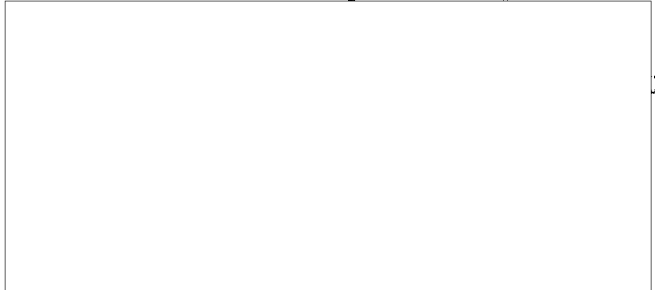
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Big Minh is seeking to build up support within the military and is planning to back some candidates in the Lower House elections—to be held before the presidential contest—in exchange for their aid in his campaign. Minh also is showing concern for the US attitude toward the election.

urging them to take steps that will benefit specific groups and presumably make them more favorably disposed toward the government. Among the measures are a suspension of tax payments by peasants who have received property under the land reform program, and an acceleration in the development of housing projects for disabled veterans.

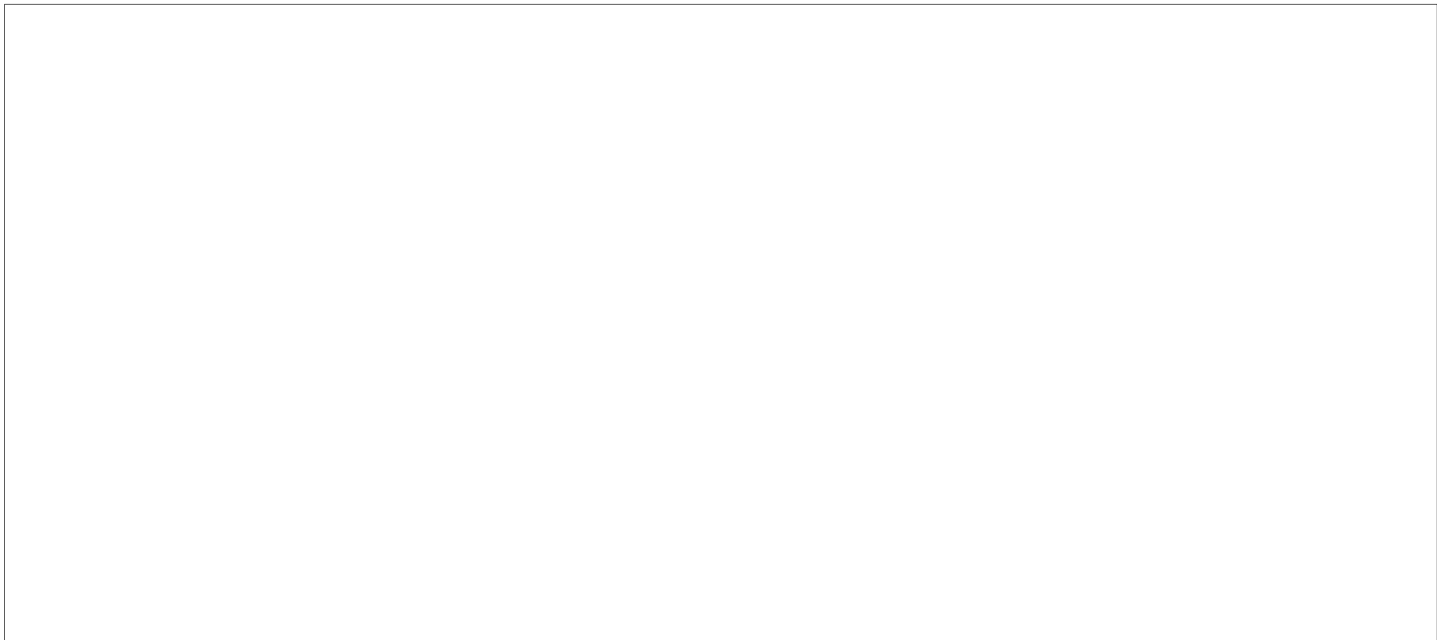
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For his part, Thieu has been taking a firm anti-Communist stance in recent pre-campaign junkets around the country. The President reportedly has been meeting with province chiefs and

Thieu, like Minh, plans to back those candidates in the Lower House elections who agree to campaign for his re-election. The President probably also is encouraging an attempt by a group of basically progovernment parties to agree on a common slate of candidates for the Lower House elections. These candidates are to campaign in support of present government policies and to speak out strongly against any pacifist or coalition-minded opponents. It is not clear how well the parties will work together, however; similar efforts at cooperation have failed in the past largely because of personal rivalries among party leaders.

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Communist China: *The Military Syndrome*

Despite controversy within the regime over aspects of the future of the armed forces in Chinese politics, there are few signs that Peking is moving to curtail the enormous civil burdens that the military has assumed since the heyday of the Cultural Revolution. This impression has been strongly reinforced by [redacted]

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[redacted] continuing pervasiveness of the military in everyday affairs. Not only are army men playing key roles in rebuilding the shattered Chinese Communist Party apparatus and maintaining overall security, but they are also charged with an unusually wide range of "housekeeping" chores of the sort performed before the Cultural Revolution by a civil bureaucracy many times larger than China's present three-million-man military establishment.

The contrast with the army's low profile in civil affairs before the Cultural Revolution, is particularly striking in Peking itself. [redacted]

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[redacted] in January, military control in the city was widespread. Uniformed troops were observed directing traffic, issuing ration coupons, rail and airline tickets, and operating telegraphic facilities in the post office. The overwhelming majority of Peking police were uniformed soldiers, who in their police role are responsible for numerous duties far in excess of those performed by Western police forces. These include political indoctrination of factory and office workers, overseeing the construction of air raid shelters, ensuring compliance with the down-to-the-countryside movement, and even some welfare programs.

Additional evidence recently received indicates that the extent of military control of police and civil duties is still sharply affected by the political climate in the capital. For example, following the abrupt disappearance in March 1970

of politburo member Hsieh Fu-chih, who was also head of public security and chairman of the Peking Municipal Revolutionary Committee, the military moved back into control of public security. In the fall of 1970, troops also were obliged to re-enter Peking University following an unsuccessful trial period of civilian control. Discipline and order in the school supposedly rapidly deteriorated following the departure of the army because of feuding between militant students and some of the professors who had recently returned to their positions after undergoing severe criticism during the Cultural Revolution.

But evidence of widespread military influence has not been limited to Peking. For example, [redacted] flight from Canton to Peking the crew and service members of the airliner wore military uniforms. American journalist Edgar Snow was also struck by the ever present military in his recent travels in China, a point on which some top Chinese leaders are rather sensitive. In an interview with Snow designed for foreign consumption, Chou En-lai complained about foreign press portrayal of the military as the dominant element in Chinese politics, insisting that this had never happened and never would.

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Chou's testimony notwithstanding, available evidence continues to indicate that the military retains the dominant political and administrative posts in most provinces. There are signs that some steps are being taken to ease regular army units out of many time-consuming chores, but in most instances the regulars are merely being replaced by local garrison forces—leaving the military in full control. At this stage, with the party apparatus far from being fully resurrected, the outlook is for a continued military presence in nearly every sphere of civil endeavor simply because the army is still the only cohesive governing instrument in China. [redacted]

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China Issues a Warning

As the dust begins to settle from Chou En-lai's hasty visit to Hanoi, the outlines of a more explicit and stronger Chinese assurance of support as needed for the North Vietnamese appear to have emerged. North Vietnamese concern on this score, and Peking's own concern that its role in the conflict had been discounted both in Washington and Saigon, were probably major factors leading to the visit. Thus, Chou's appearance in Hanoi seems intended to spotlight Sino-Vietnamese solidarity in order to play out the deterrent value of the specter of Chinese intervention.

The Chinese—probably under pressure from Hanoi—for the first time in years began linking the security of North Vietnam directly to that of China. Chou En-lai on the first day of his visit on 5 March warned that "US expansion of the war in Indochina is a grave threat to China." This in essence was repeated in the joint communiqué signed by Chou and Pham Van Dong on 8 March; the Chinese previously had limited their statements to allied operations in Laos when discussing the threat to China.

The question of what constitutes a direct threat to China's own security is probably fundamental to any future course of action Peking may decide to take in relation to allied actions on its southern border. The decision to tie events in Indochina generally to China's security, therefore, was no doubt an important one, and there is evidence that it was attended by high-level debate in Peking.

In connection with Chou's visit, the Chinese have publicized a new "quotation" from Chairman Mao, which is the first clear indication that continuing internecine disputes in Peking have spilled over into foreign policy matters. The quotation declares that "if anyone among us should say that we cannot help the North Vietnamese people in their struggle against US imperialism and for national salvation, it means mutiny, that is, betrayal of the revolution." This is extremely

strong language and seems to be directed at domestic critics who have apparently argued against pulling Hanoi's chestnuts out of the fire. It is not yet clear precisely what is at issue, but contingency plans relating to China's role in Indochina should the war expand were probably a factor in the dispute.

The whole series of seemingly contradictory events leading up to Chou's visit, in fact, points both to the likelihood that certain strategy differences between the Chinese had developed and to the possibility of some pulling and hauling between Peking and Hanoi as a result of allied operations in southern Laos.

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Another curious matter is Peking's treatment of the question of allied "threats" to Chinese security. On 12 February, Peking for the first time specifically cited allied operations in Laos as a threat to China, and this was given wide play in Chinese circles. Xuan Thuy, however, shortly picked up these statements and expanded them to include allied operations throughout Indochina as posing a threat to China. The Chinese never repeated Thuy's statements and subsequently dropped all references to China's security in their own commentary for the two weeks just prior to Chou's visit, at which time the Thuy formulation was finally surfaced again. The timing of Peking's hesitation and subsequent reversal on the issue, moreover, coincides with leadership meetings that were held in the Chinese capital after mid-February.

Whatever the differences, the appearance of Mao's quotation and Peking's emphasis on making further "national sacrifices" on behalf of the Vietnamese and its constant reminders of "proletarian internationalist" responsibilities make it

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clear that the Chinese at this point have decided on providing increased material assistance to Hanoi as it is needed. There is no evidence to indicate, however, that recent developments in Peking will result in a radical break with past Chinese prudence in the Indochina conflict or that Chinese military forces will soon intervene. Chinese official statements are still carefully

hedged and are not explicit on what action would trigger Chinese intervention, although this contingency is clearly linked to some expansion of the war. In addition, Peking continues to emphasize its faith in the ability of the "people of Indochina themselves" to carry the fight through to a successful conclusion.

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No Basic Change in Sino-Soviet Relations

There is no sign of any movement toward resolution of fundamental political differences between Moscow and Peking. An authoritative Chinese editorial on 17 March eulogizing the Paris Commune on its centenary has reiterated at length Peking's long-standing criticisms of Moscow's views and policies just before the opening of the Soviet 24th party congress. Although relations in the past year have been characterized by a lack of sustained public quarreling, Moscow will certainly denounce the latest Chinese attack.

At the same time, however, the USSR has attempted to appear forthcoming toward China. Moscow claims it has extended an invitation to Peking to send representatives to the party congress. It has not released the content of its invitation, and there is no indication that the Kremlin expects Peking to respond positively. The Chinese have been silent on the bid itself, but the editorial has made plain that there will be no lessening of Peking's ideological war with Moscow and that it has no interest in a resumption of party contacts.

The Peking border talks—begun in October 1969—continue despite the lack of any sign of meaningful progress. Following the return to Peking of the chief Soviet negotiator in mid-January, some Soviet diplomats have been claiming that "most" of the background work regarding the talks has been completed, and that the number of disputed areas has been reduced. The Soviets admit, however, that ownership of the most troublesome territories is still a matter of contention.

[Redacted]

Moscow and Peking have kept a wary eye on each other's response to the intensification of fighting in Indochina. Soviet propaganda broadcasts to China have berated the Chinese for "split-

tism"—failure to cooperate with other Communist nations in joint support of Hanoi. These broadcasts suggest that Moscow may have once again resorted to the ploy of appealing to Peking for "united action" regarding Vietnam in order to emphasize China's isolation from other Communist nations.

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Economic Relations on Upgrade

Sino-Soviet trade plummeted to about \$55 million in 1969 from a peak of about \$2 billion in 1959. Soviet officials have admitted that trade in 1970 was even lower. The two countries signed a new trade agreement last November, however,

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The relative easing of the intense hostility created by the Cultural Revolution and border fighting of the late 1960s has enabled Moscow and Peking to resume some economic contacts disrupted during that period.

The extremely low levels of trade over the past few years have been economically disadvantageous to both countries, and there are sound reasons for resuming it at higher levels. Nevertheless, as long as both sides are unable to resolve their fundamental political dispute and each views the other as a potential military antagonist, trade is likely to remain far short of the levels of the early 1960s.

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With prospects apparently slim for progress in the four-power talks on Berlin, the focus of Ostpolitik has temporarily shifted to East - West German and West Berlin city - East German talks. Failure to achieve a four-power agreement on Berlin remains the Gordian knot that is holding up ratification in Bonn of the Soviet and Polish treaties with West Germany and threatening to impede negotiations with Czechoslovakia and Hungary.

Since the Warsaw Pact summit meeting in East Berlin on 2 December 1970, it has become apparent that the Communists, particularly the East Germans and the Soviets, have achieved unity for negotiating purposes. In return for giving up its insistence on diplomatic recognition by West Germany as a prerequisite for negotiations, Pankow has pledged from its allies that its interests will not be ignored in the course of their negotiations with Bonn. During the four-power talks since then, the Soviets have honored this pledge in a manner that turns it into a negotiating tactic. Thus East Germany, in concert with Soviet negotiators, has undertaken the task of talking directly with Bonn and the West Berlin Senat, but so far almost exclusively on subjects that the Western Allies consider reserved to the four powers.

Even though their main purpose is to undermine the four-power talks, the East Germans have come a considerable distance; they are at least talking with the West and have indicated a number of matters they might consider negotiable both in Berlin and between the two Germanies. Prospects are slight for immediate progress in these talks, or for Easter passes for West Berliners, but even on questions affecting their alleged sovereignty the East Germans have privately indicated that they might be flexible. Should the four powers ever agree to give the go-ahead to the two German states and the West Berlin Senat to conduct negotiations within specific limits, the East Germans would as a result be committed to extensive negotiations and would then be faced with

the choice of renegeing or settling on terms amounting to de facto, rather than de jure, recognition from Bonn and the West.

Moscow's Role

The Soviets wholeheartedly support Pankow's attempts to draw Bonn into premature negotiations on Berlin. The Soviets evidently hope that a stalemate in the four-power talks will add to the pressures on the West Germans to proceed on their own, and Moscow continues to use every available public and private channel to urge such a course on Bonn.

Along with the question of a Berlin agreement, Moscow's energies are concentrated on pressing Bonn to ratify its treaties with the USSR and Poland. There has been no repetition of the alarming—and Soviet-inspired—press stories of last month that threatened a complete break with the Brandt government, but the Soviets have nevertheless contrived to make their displeasure known. The cool treatment the Soviets have accorded a West German delegation that arrived in Moscow on 9 March to negotiate the terms of a civil air agreement evidently was intended to convey Soviet irritation with Bonn's persistence in linking ratification to the conclusion of a satisfactory Berlin agreement. The 24th party congress will give prominent approbation to Moscow's German policy, and it is unlikely that the congress will lead to any changes in Soviet tactics.

Nevertheless, it is likely that Soviet pressure tactics will stop short of the point where they would destroy the credibility of Ostpolitik and undermine the domestic political position of the Brandt government. Moscow's preference for the Brandt government was clearly demonstrated last week when Soviet spokesmen issued a flurry of optimistic statements about a Berlin accord after the four-power meeting of 9 March, evidently in the hope of improving the showing of Brandt's Social Democrats in the West Berlin elections of last Sunday.

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Soviet Ambassadors Go Home

Moscow is carrying out a massive overhaul of its ambassadorial corps in Eastern Europe. Of the seven Soviet ambassadors posted in Eastern Europe—the USSR does not maintain diplomatic relations with Albania—~~five~~ have been removed from their positions this month. They are ambassadors Benediktov in Yugoslavia, Aristov in Poland, Basov in Romania, Titov in Hungary, and Puzanov in Bulgaria. Moreover, the status of the ~~two remaining ambassadors~~—Abrsimov in East Germany and Chervonenko in Czechoslovakia—is uncertain. Chervonenko's departure has been a subject of frequent rumor since the crisis of 1968.

The changes may be keyed to the political maneuvering and personnel shifts connected with the impending Soviet party congress, scheduled to begin on 30 March. All of the departing ambas-

sadors are members of the party central committee, and the loss of their diplomatic positions suggests that their party posts could also be in jeopardy.

It is not likely that the changes are indicative of a Soviet intention to alter policies toward Eastern Europe. The ambassadors who have been newly named—Stepakov in Belgrade, Pilotovich in Warsaw, Drozdenko in Bucharest and Pavlov in Budapest—seem to be cut from much the same cloth as their predecessors. Stepakov is the former head of the central committee propaganda department, Pilotovich is a Belorussian party apparatchik with a record of hard-lining speeches in support of ideological "vigilance," and Drozdenko is a veteran of the Ukrainian party organization.

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FINLAND: A dispute between the Communists and Prime Minister Karjalainen over the relatively minor issue of extending certain price controls has mushroomed into a full-fledged government crisis. The five-party, center-left coalition has been racked with internal bickering since its inception last July, largely because of Communist maneuvering as a result of its own internal party split. Karjalainen, hoping to force the Commu-

nists to give in on the price control issue, announced prior to Wednesday's parliamentary vote on the price control bill that his government would resign if the Communists failed to support it, a threat that he carried out the same night. As none of the major parties in the coalition entered it with any great enthusiasm, only considerable arm-twisting by President Kekkonen is likely to resolve the present crisis.

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France-Algeria: *Oil Dispute Strains Relations*

Algerian nationalization of the greater part of French petroleum assets threatens to strain French relations with the US as well as to bring an end to the special relationship that exists between France and Algeria.

Top Algerian officials are now taking steps to counter possible French moves, such as the total withdrawal of the French oil companies, and they are preparing to recruit as many as 800 oil specialists if necessary. They also are giving maximum publicity to the signing of contracts with non-French firms as much to allay internal fears that a French pullout would create economic chaos as to put pressure on France to meet Algeria's minimum demands.

Although the French responded with restraint to the nationalization, Pompidou was reportedly angered. The French feel that nationalization takes the last substance out of the 1962 accord reached at the end of the Algerian revolt against France. They also argue that it prejudices the negotiations that have been conducted since last August under Pompidou's personal direction. Criticized in the French press for mismanaging these talks, Pompidou is no doubt particularly sensitive to events that expose him to unfavorable comparison with his predecessor and raise doubts about his ability to maintain French influence in the Mediterranean region.

The French recently asked the US to refrain from taking any actions at this time that might make it harder for them to work out equitable compensation with the Algerians. As a French diplomat explained, the purpose of the demarche was to dissuade the US and other friendly governments from supporting loans to Algeria from the World Bank or from US institutions at this difficult time.

The Algerian objective during negotiations with France has been to achieve control over its petroleum resources. Earlier this year, France rejected Algeria's demand for 51-percent control of all petroleum operations. Rather than waiting for the resumption of negotiations, suspended early in February, Prime Minister Boumediene on 24 February announced the take-over of a 51-percent share of all French oil companies, which produce some 70 percent of Algeria's petroleum, and the complete nationalization of all pipelines and natural gas facilities. Although Boumediene promised fair compensation for the seized assets, he publicly rejected a press valuation of \$800 million for these assets.

Last week the French gave the Algerians their specifications for just compensation, making clear that the continuation of the special relationship between the two countries hinges on this question. The Algerian response to the French, delivered on 15 March, displays a mixture of intransigence and flexibility, a combination that has also been evident in talks now in progress with the French companies. It appears doubtful that the Algerians will be prepared to meet France's minimum demands, however.

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MARITIME ISSUES: The UN seabeds committee this week broke the impasse that had prevented its convocation and began planning for the 1973 Law of the Sea conference. The impasse resulted from a procedural dispute over the powers of subcommittee chairmen to pigeonhole items. The Latin American

states with 200-mile claims pushed their candidate to chair the subcommittee on that subject and argued for continuing the chairmen's prerogatives. The compromise finally worked out retained for the full committee control over decisions on controversial issues.

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Libya: *The RCC Meets the People*

Last month, individual members of the Revolutionary Command Council (RCC) held a series of public meetings all over Libya in an effort to bring home to the people the efforts of the government on their behalf. In general, the results have been humbling for the RCC, although the general and specific criticisms evoked from the populace may ultimately prove educational to the brash young leaders.

Premier Qadhafi announced on 2 February that the RCC had decided to submit to the people "an account of what we have done" since the revolution of 1969. He said that the members of the RCC would "meet the people" to discuss national problems with "complete frankness and clarity." Subsequently, from 22 February through the 27th, RCC members Jallud, Hamzah, Humaydi, Hawwadi, and Muqaryif held the announced meetings. In some areas, especially in traditionally royalist Cyrenaica, the gatherings were poorly attended.

At the rallies, the official speeches were followed by a vigorous exchange of views with the audience, which often expressed dissatisfaction with material progress. Housing, employment, health measures, television, and agricultural wells all were subjects for criticism. Harsh dialogues on such broader political issues as restrictions on

party activity and the presence of foreign advisers (read "Egyptian") indicated that popular grievances were not limited to material demands.

RCC speakers often reacted to these criticisms with displeasure and impatience, even accusing some questioners of laziness, ingratitude, and greed. This irritated attitude was later reflected in an editorial in the official newspaper *al-Thawrah*, which lamented the fact that "RCC members are the only persons working for the revolution" and urged the Libyans to awake and serve their country.

The series of gatherings has probably gone beyond its stated purpose of informing the people by providing a rough-and-ready forum that has revealed to both the RCC and the public the full extent of the credibility gap that has grown up in the year and a half since the revolution. The RCC members appeared surprised and perhaps disappointed by the critical reception they received, and the meetings may prove to have a more salutary effect on the council's relations with the people than originally envisaged. At the same time, the give-and-take of the rallies disclosed that the Libyan populace is not as politically apathetic as generally believed. [redacted]

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SYRIA: On 12 March, more than 99 percent of the voting electorate confirmed Hafiz Asad as "constitutionally elected president" for a seven-year term. Asad later told one reporter that it was still premature to specify the nature of planned cabinet changes, but he did indicate that he would give up the Defense Ministry to a civilian. Asad reaffirmed Syria's dedication to the "battle

of liberation," claimed closer relations would develop with Egypt, and appealed for national unity among the Syrian people. One of his first tasks as president will be to host a conference of the embryonic Arab federation—Egypt, Libya, Sudan, and Syria—which has been announced for Damascus on 20 March. [redacted]

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Portugal-Zambia: ~~Lisbon~~ Considers Retaliation

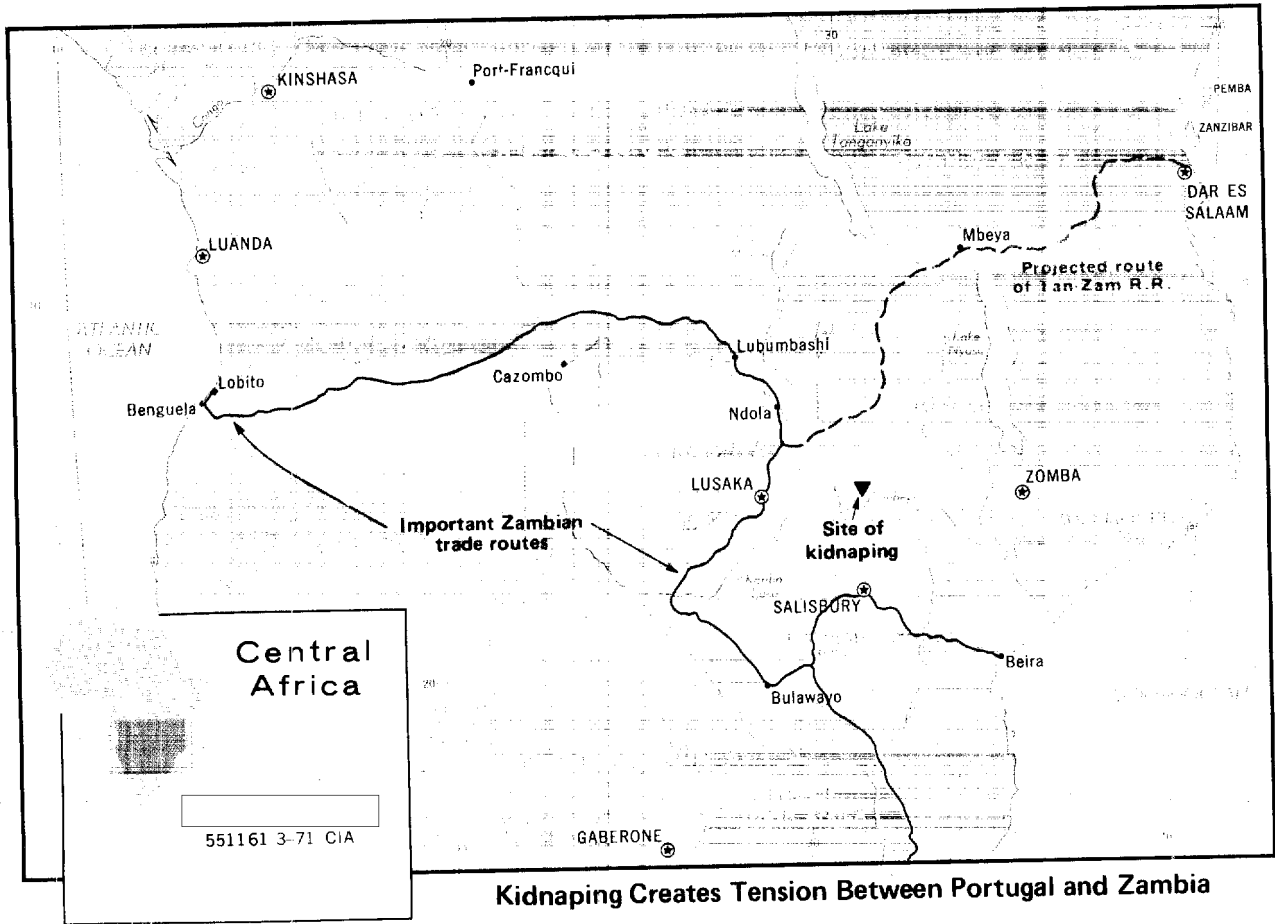


The Zambian Government's refusal to accept responsibility for Portuguese civilians captured by a Zambia-based guerrilla organization has angered the Portuguese.



In mid-January, the Mozambique Revolutionary Committee (COREMO), a minor insurgent organization that operates out of Zambia, infiltrated Portuguese Mozambique, kidnaped six civilians, and took them back to Zambia. COREMO apparently wanted to turn the prisoners over to the Zambian Government, but Lusaka

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Kidnaping Creates Tension Between Portugal and Zambia

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reportedly refused to accept custody. It is virtually certain now that the prisoners were subsequently killed by COREMO. The Zambian Government, embarrassed and concerned over possible Portuguese retaliation, has attempted to disclaim knowledge of the incident. It has also asserted that it had denied the guerrillas permission to bring the Portuguese into Zambia, and that it is not responsible for COREMO prisoners.

Disturbed by what it saw as a lack of responsiveness, Lisbon publicly announced on 5 March that it was holding Lusaka responsible for the prisoners' fate. So far, the Portuguese have applied pressure by holding hostage three Zambians who crossed the border into Mozambique without documents and may be slowing the shipment of

maize into Zambia over Angolan and Mozambican railroads. In the past, similar tactics have caused Lusaka to tighten its control over guerrilla groups. Zambia's maize imports are especially necessary now because of bad harvests.

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SOUTH AFRICA: Liberal church circles remain apprehensive following widespread "search and seizure" raids by the South African security police against a score of individuals as well as church and student groups. The raids, which occurred in late February, allegedly were connected with the investigation of the Anglican dean of Johannesburg, who was arrested in January for possession of subversive literature and for other, as yet unspecified acts. In addition, Pretoria has recently issued deportation orders to a number of foreign clergymen, church workers, and their families, most of whom are US citizens.

The raids and deportations appear to be part of an intensified effort by the Vorster government to harass and intimidate some of the more vociferous critics of its apartheid policies, particularly among the clergy. They also exemplify the government's overriding concern with internal security. Although Pretoria has been trying for some time to improve South Africa's international image, it is willing to ignore the effects of its heavy-handed tactics on world public opinion when it comes to dealing with its critics.

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SECRET**India: Local Political Maneuvering Follows Mrs. Gandhi's Victory**

The Ruling Congress Party's (RC) landslide victory on the national scene was accompanied by important advances in two states that held simultaneous state assembly elections. In neither West Bengal nor Orissa, however, did the RC secure a majority, and even if the party eventually forms coalition governments in these states, they will probably lack the necessary strength for long-term survival.

In violence-prone West Bengal, the number of RC seats rose dramatically from the 38 gained in the last state elections in 1969 to 105. Even so, the party was unable to top the 123 seats won by the six-member United Left Front led by the Marxist Communists (CPM). Since 1967, when a CPM-dominated government was first elected to power in West Bengal, the Marxists have made several tries at ruling this key industrial state, but they have failed to halt the economic decline or to calm political unrest there.

As the strongest political force in the state, the Marxists had eagerly sought new elections since March 1970, when New Delhi suspended representative government and assumed direct control through President's Rule. The CPM plurality proves the Marxists are still a major contender, but the returns also indicate they were hurt by some weakening of the anti-Congress sentiment that was so prevalent in 1967. Other factors included voter repudiation of the CPM's inept administrative performance and of its participation in the feuding between rival Communist factions that has cost hundreds of lives.

Prime Minister Gandhi, determined that elections would be held in West Bengal, approved the unique move of calling on the military to prevent electoral disruptions and to encourage a high voter turnout. In a surprisingly peaceful atmosphere, the Bengalis voted in greater numbers than expected. The heavy showing suggests that many are disenchanted with the CPM and are seeking a remedy for the chaos that has bedeviled the state in recent years.

Restoration of stable government, however, remains an unlikely prospect, now that the CPM and RC have, in effect, polarized West Bengal politics. Neither party has the 141 seats required for a majority, and both parties are presently jockeying for allies. The wide ideological gap between the two suggests that West Bengal may be on the verge of another round of political turbulence, which could again lead to the imposition of President's Rule.

In neighboring Orissa also, the RC saw its position jump significantly, from 8 to 51, although it still fell short of attaining a majority in the 140-seat assembly. The RC could form a coalition with a regionally oriented party, but this is only one of several possible combinations, and the ultimate decision will probably be taken in accord with Mrs. Gandhi's wishes. Her position in Orissa has been further strengthened by her party's capture of 15 (up from 4) of the 19 parliamentary seats allotted to the state. If the RC decides not to participate in a state coalition, however, it is possible that no government will be formed and fresh elections may be called for next fall.

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Pakistan: Talks Under Way to Avert Split

Discussions began on 16 March in Dacca between President Yahya Khan and East Pakistani leader Mujibur Rahman, who had just moved toward formalizing his de facto control of the province's administration.

Since Yahya's arrival in East Pakistan, he has conferred with Mujib several times in an attempt to find a solution to the crisis over the province's demand for autonomy. Information regarding any progress is fragmentary, but the arrival of a

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former law minister in Dacca on 17 March probably indicates that some constitutional formula is under discussion.

exception of three major cities. The announcement seemed to formalize a situation that had developed following Mujib's call for a general strike from 2 to 7 March and a subsequent week of noncooperation. In connection with his announcement, Mujib issued a 35-point directive aimed at eliminating confusion in ports, banks, transportation and communications facilities, and in other activities. According to this directive, nongovernment commercial and industrial establishments could operate normally, but government agencies, except for the police, were to remain closed. The points were formulated by a committee headed by leaders of Mujib's Awami League, indicating that his party is probably preparing itself to handle large-scale government operations.

Occasional scattered violence continued in East Pakistan. Late last week, two small bombs were exploded in the lobby of the building that houses the US Consulate General in Dacca, and a shotgun was fired at the house of the consul general. No one was injured and no damage was done to the consulate in these incidents.

At almost the same time that Yahya arrived in Dacca, Mujib issued his gravest challenge yet to the central government by announcing that he had assumed what amounts to de facto control over the administration of the province with the

Turkey: *Military Intervention*

For the second time in just over a decade, the Turkish military has intervened in the political life of the country. For the moment, it has stopped short of a direct assumption of power in favor of trying to work through the constitutional system. If, however, there are what the military considers "unreasonable delays" in forming a broad coalition government to end extremism and promote a wide program of reforms, a military junta may yet take over.

The ultimatum, contained in the 12 March memorandum to President Sunay, followed

months of uncertainty and terrorism. It was is...

there remains a clear determination to assume direct military control of the government if all else fails.

In general, the man in the street has grudgingly approved the military intervention. Paradoxically, the political left, against which the move was primarily aimed, has been most

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enthusiastic, apparently under the delusion that any military take-over will ultimately pave the way for a socialist system.

within the officer corps, [redacted]

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During the past week, President Sunay has moved to quiet public concern and to initiate formation of the type of coalition government that will meet the demands of the ultimatum. The leaders of the two largest political parties, representing over 80 percent of Parliament, apparently have agreed, however reluctantly, to support such a government.

[redacted] Some Turks appear to be wondering if even the military can cope with the situation.

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The military, claiming its action was prompted by the imminence of a leftist-oriented coup, has launched a purge of the officer corps. This action suggests some realization on the part of the military that it is on shaky constitutional grounds. The purge has increased apprehension

The military may yet find that it was easier to move into the government than it will be to disengage. An old Turkish proverb points out that he who would take his ass up to the roof of his house should first give thought as to how he can get it down. It remains to be seen whether the Turkish military has profited from this wisdom. (SECRET NO FOREIGN DISSEM)

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WESTERN HEMISPHERE

[Large redacted area]

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Chile: *Economics and the Municipal Vote*

The Allende government is relying increasingly on economic expediency to attract support in the municipal elections of 4 April. The President realistically expects the well-organized Communist Party (PCCh) to increase its percentage of the vote by a greater margin than his own Socialist Party (PS). He will be satisfied, however, if the Popular Unity (UP) coalition—consisting of the PCCh, the PS, and the Radical Party—improves its electoral showing from the minority 36.3 percent in the September presidential election to about 50 percent.

The government's strict price controls have sharply reduced cost-of-living increases, despite the administration's simultaneous pursuit of highly inflationary budget and monetary policies. During the first two months of 1971, the consumer price index rose only 2.1 percent, compared with 12.2 percent for the same period in 1970. Government spokesmen have hastened to point out that as a result the recent 45-percent wage increase is not being eroded by rapidly rising prices, as in the past. Although rising wage costs and frozen prices are putting a tight squeeze on the business community, the boost in workers' real income is an important political asset for the UP coalition.

Opposition parties respond to these statistics by emphasizing persistently high unemployment, but the UP campaigners successfully counter by charging the previous government with creating the unemployment and by claiming to have created 40,000 new jobs since Allende's inauguration in November. Moreover, a government spokesman

announced on 15 March that a portion of the Chilean budget disbursed at executive discretion and formerly applied to agricultural and mining projects will be used to fight unemployment.

Government permissiveness in the face of illegal land seizures by peasants, largely in the southern provinces, can be expected to improve the UP's electoral showing in that region. The seizures cause the landowners to request government expropriation of their lands as a means of realizing at least a small return. Allende has welcomed such incidents and has announced his intention to expropriate as many as 1,000 farms during 1971. The announcement has probably had the effect of encouraging further land seizures. Although this new peasant-government relationship is to the UP's electoral advantage, the land seizures may come under the control of the extremist Movement of the Revolutionary Left. Moreover, the Allende government may find it difficult to impose its own agrarian reform in areas where peasants already have obtained land simply by seizing it.

In other moves with widespread political appeal, the government has taken over the operation of two large copper mines and the nation's two largest cement manufacturers. The US-owned Anaconda Copper Company has a 49-percent interest in both mines. All four interventions were made on the grounds of production shortfalls due to labor problems. A bill to complete the nationalization of large US copper interests is scheduled to be acted on by the Chilean Congress after the municipal elections.

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Honduran Elections: *An Experiment in National Unity*



President Lopez

Voters will go to the polls on 28 March to elect a new government in which the country's two major parties will share power. The Nationalist Party of President Lopez and the Liberal Party will vie for the presidency, but each is assured half of the congressional seats. In addition, there will be a bipartisan cabinet, and the party defeated in the presidential race will control the Supreme Court.

The unity plan worked out by President Lopez, business, labor, and political leaders during December and January was designed to avoid partisan strife and to promote honesty and competence in government. It temporarily ended months of speculation that Lopez would refuse to step down when his term ended in June 1971.

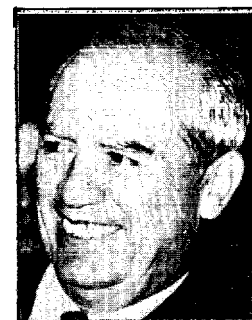
Early enthusiasm for the plan waned somewhat in February, when the parties' congressional

slates revealed that the lofty rhetoric about bringing new faces into government and attracting only the most qualified citizens had wrought no real changes. The selection of party hacks for congressional seats, the lackluster campaigns of the two presidential candidates, and the continuing unhappiness of students and other political elements frozen out of the unity arrangement eroded the notion that a real change in Honduran politics was imminent. Despite Lopez' assurances of complete government neutrality, there is skepticism that elections will be free and that Lopez actually will relinquish the presidency.

There is not likely to be much difference in policy direction, whether the 68-year-old



Ramon Ernesto Cruz
Nationalist Party Candidate



Jorge Bueso Arias
Liberal Party Candidate

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Nationalist Party candidate, Ramon Ernesto Cruz, or the more dynamic 51-year-old Liberal, Jorge Bueso Arias, wins what now promises to be a close election. Both are expected to pursue a policy of friendship with the US and both are agreed on a general program of government with particular emphasis on increasing economic growth, resolving the border dispute with El Salvador, and renewing efforts to restructure the Central American Common Market.

Moreover, a new administration may have to operate under a number of constraints and thus find itself with relatively little room for maneuver. It will have to deal carefully with the opposition party if it is to make the national unity concept work. The new government will also have to demonstrate to the military that it has the capacity to govern or General Lopez may find it "necessary" to save the country from the politicians as he did in 1963. [redacted] 25X1

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Government-Labor Strife in Argentina

The Levingston government was plunged into a new crisis this week as a result of violent strikes in the industrial city of Cordoba. Rumors of major governmental changes, including the resignation or removal of President Levingston, circulated widely in Buenos Aires as the President faced his most serious test since coming to power last June.

[redacted] 25X1
violence in Cordoba. A military governor has been named to the province, replacing the unpopular one whose appointment on 1 March had provided radical labor leaders with a vulnerable target. Other measures taken include arrest orders for the leaders charged with instigating the strikes and violence and the intervention of all the Cordoba unions represented on the strike committee.

The violence in Cordoba, which resulted in two deaths, many injuries and extensive property damage, reached its high point during a 14-hour general strike on 15 March. Radical leaders of the Cordoba labor movement were seeking a confrontation with the government, and the death of a young worker in a well-organized strike on 12 March apparently provided the martyr necessary to bring large crowds of workers and students into the streets for demonstrations on the 15th. Following the funeral, roving bands of workers and students took over portions of the city and local police were able to control the looting and burning only after several hours.

Despite these tough measures more strikes are likely in Cordoba where the unions have now had a taste of victory—the forcing of the governor's resignation. [redacted]

Emergency meetings of the commanders of the three armed services to consider the Cordoba situation touched off the rumors of imminent changes in the government. The President, however, met with the commanders in chief the day following the riots and apparently all were agreed on a series of tough measures to counter the politically inspired labor

Although the events of the past week in Cordoba have introduced new strains into Levingston's relations with the military, the President and the military commanders appear to be working together to restore order. The over-all result of the Cordoba disorders, however, is likely to be a reappraisal by the regime of its political and economic policies and increased pressure for an early return to an elected representative government. [redacted] 25X1

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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

*The Soviet Leadership on the Eve
of the 24th Congress of the CPSU*

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THE SOVIET LEADERSHIP ON THE EVE OF THE 24TH CONGRESS OF THE CPSU

The 24th Soviet party congress will convene on 30 March, one year past the statutory time limit and five years after the last congress. As the party's most authoritative forum, the congress will endorse policy guidelines and realign the top political hierarchy to fit changes in power relations that have taken place since the last session.

As the meeting approaches, there have been signs of fierce pulling and hauling among opposing factions within the party to influence the general tone and direction of the congress. To some extent this involves bureaucratic competition among important interest groups—regional as well as central—for more money and greater power. But the main cleavage is between those who would like to see the congress endorse an acceleration of the present conservative drift in Soviet policies and those who would have it mark a return to a more flexible and innovative approach. The leadership appears to be fairly evenly divided between moderates and conservatives, and there is still no clear evidence as to what direction the congress will take. There will certainly be no major shift in policy unless there is a major shake-up in the leadership, and that does not appear to be in the offing.

General Secretary Brezhnev, the most powerful figure in the leadership and spokesman for the generally middle-of-the-road faction, has markedly enhanced his authority since the last congress. It would be surprising if some of his followers did not improve their positions at this session. But existing checks and balances still appear to be strong enough to safeguard the system of collective decision-making and to prevent Brezhnev from establishing the kind of domination enjoyed by Stalin and to a lesser extent by Khrushchev.

It has indeed appeared difficult for the leadership to make any changes in its ranks. There have been no alterations in the composition of the eleven-man politburo since the last congress, although several members at the very least seem due for retirement. This meeting will therefore determine whether such changes will be made on a timely basis or whether immobility will persist.

Functions of the Congress

According to party texts, the congress is the "indisputable authority of party power," the formal apex of the party's hierarchical organiza-

tion. According to the script, it is composed of delegates elected in a democratic manner at regional convocations by delegates who in turn have been elected at district meetings. In practice, however, the delegates are carefully selected in advance by Moscow.

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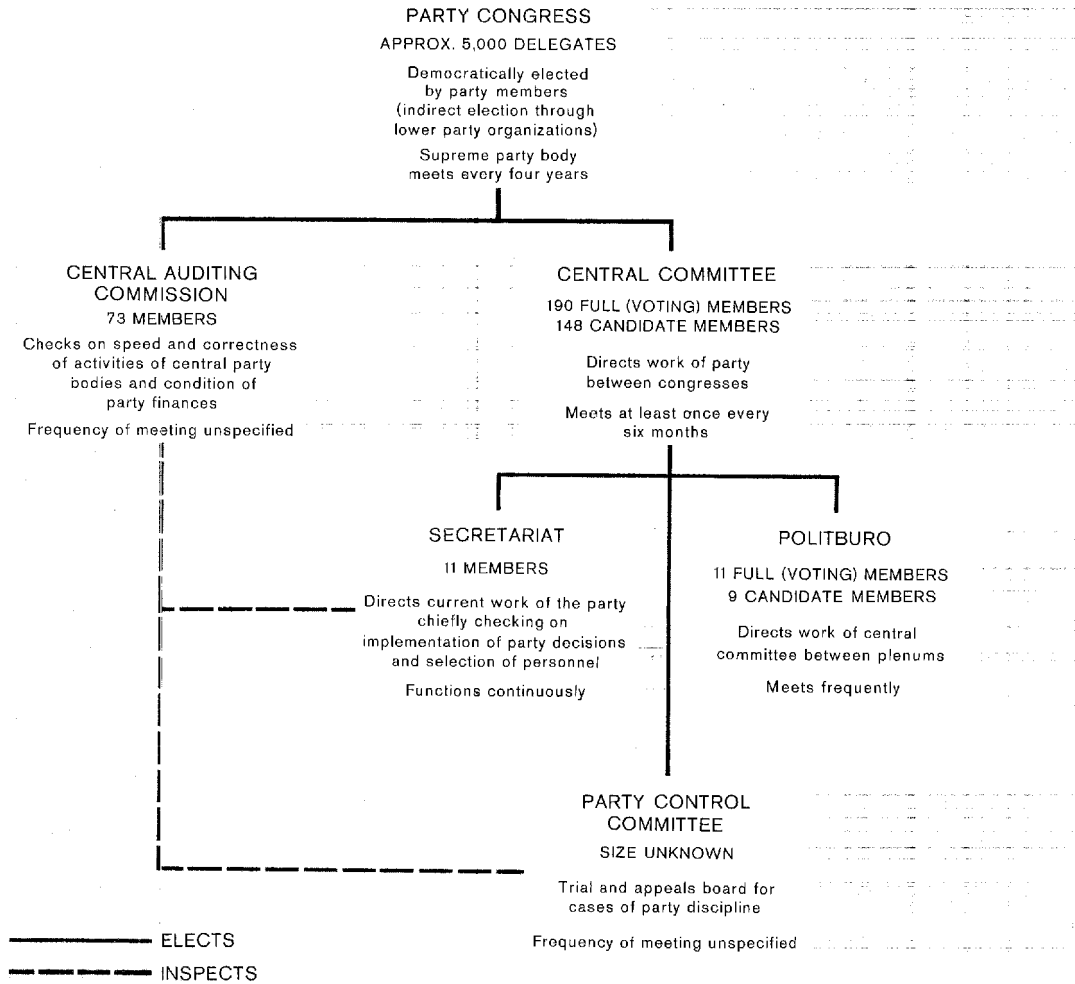
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STRUCTURE OF TOP SOVIET PARTY BODIES (on Eve of 24th Party Congress)



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In the early years party congresses participated actively in policy making, but under Stalin they degenerated into a rubber stamp forum designed to give the leadership a semblance of democratic legitimacy and to propagate the regime's policies. Although congresses have been convened with greater frequency and regularity in recent years, their role and operations have not essentially changed.

The convocation of a party congress is, nevertheless, an event of great importance in Soviet political life. It is the occasion for reviewing party activities and for authoritatively defining basic policies. It is also a primary reference point in party annals and historiography. Pronouncements of the 23rd party congress are frequently cited as basic guidelines, and even those held during the Khrushchev era are occasionally mentioned.

The convening of a congress also helps to bring into the open the crosscurrents of political and policy disagreements within the leadership. Furthermore, it forces a review of the membership of the ruling bodies—the politburo, the secretariat and the central committee—and thus is a time when individual leaders seek to place their followers in positions of influence.

As general secretary of the central committee, Brezhnev will deliver the "accountability report," which, in theory, is an accounting to the party's highest body of the activities of the central committee since the preceding congress. This keynote address reviews developments in the interval, defines the current situation, and outlines a program for the future. It is usually divided into three major sections—the international situation, domestic affairs, and the state of the party—and is followed by discussion.

If there are any "dramatic" moments at the congress, they are most likely to occur in Brezhnev's speech itself or during subsequent discussion of it. Kosygin's report on the five-year plan, the only other significant report scheduled, seems likely to be an exposition of the draft directives

of the 1971-1975 plan published in the Soviet press in mid-February.

The session, which is expected to last more than a week, will close with the election of a new central committee that in turn will meet to elect the other ruling bodies, the politburo and the secretariat. In both cases decisions concerning membership will already have been made. The congress will be attended by representatives of foreign Communist and some left-wing parties. The foreign representatives will present greetings from the various "fraternal parties" but will not participate in the deliberations.

Conflicting Policy Directions

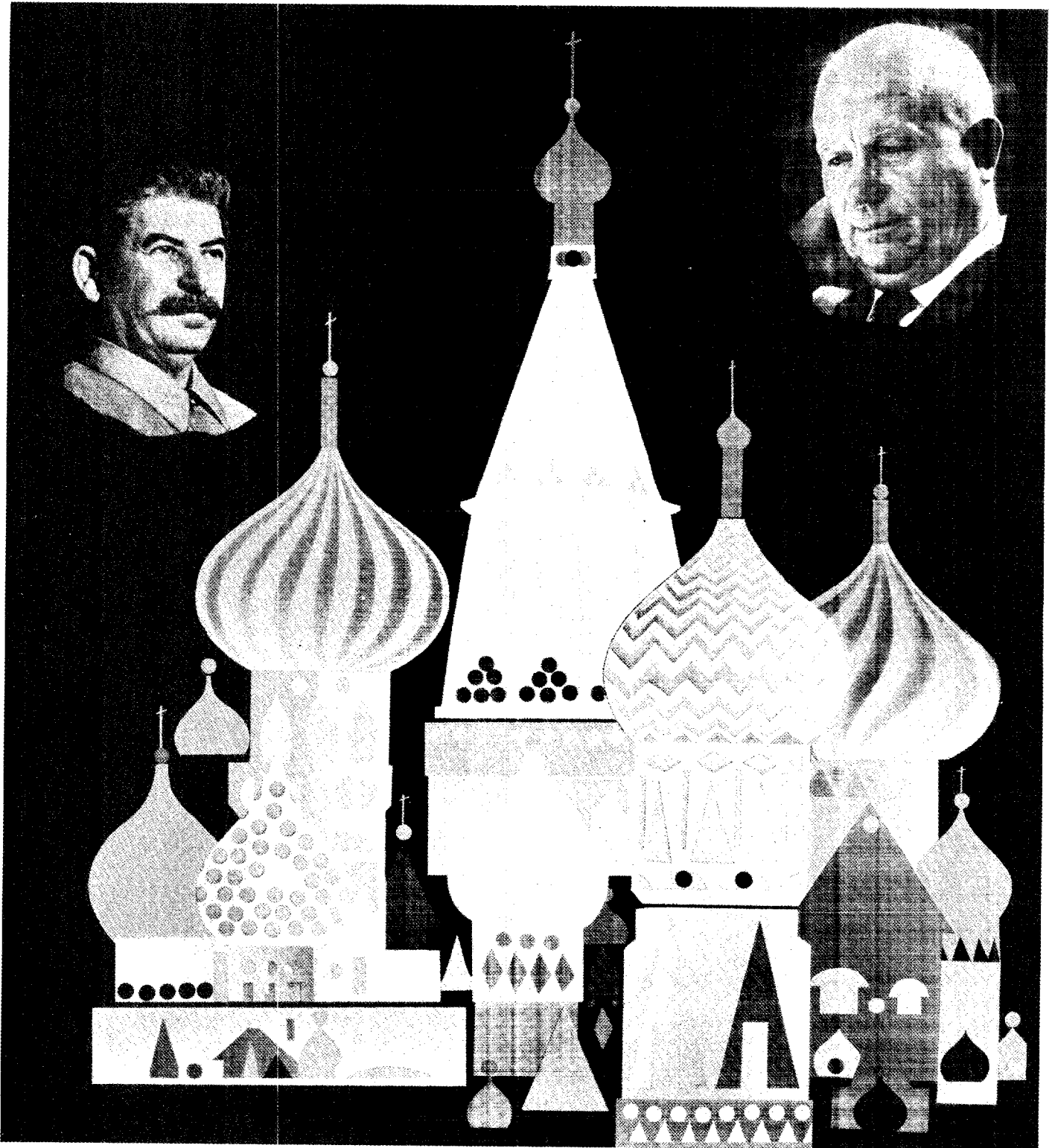
The collective leadership that succeeded Khrushchev has proved to have considerable political staying power. The group has avoided any open, destructive struggle for power, but it has by no means been free of internal disagreements. As the congress approaches, jockeying to influence its tone and direction has become apparent. Essentially the struggle involves the question of how far Soviet policy should move away from Khrushchev—symbolizing change—and back toward Stalin—symbolizing the old way of doing things.

At one extreme of the Soviet political spectrum are those who would like to return to tough Stalinist policies in domestic and foreign affairs. They are not represented in the politburo, although their voices may well be heard in the Kremlin. They consider Khrushchev's de-Stalinization drive a grave mistake that has led to the erosion of Soviet power in the Communist world and to unrest at home. They favor stern measures against domestic dissident elements and distrust any innovations that might tend to weaken party and government controls. They are obsessed with the dangers of ideological subversion from the West and doubt the wisdom of closer relations with capitalist countries, particularly if it entails more than minor concessions on the Soviet side. They put much stock in the importance of reconciliation with the Communist Chinese and seem

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to have been able to convince themselves that this is simply a matter of removing revisionist elements from Soviet political life.

At the other extreme are those who believe that, without some basic economic reforms and a further democratization of political and social institutions, it will not be possible to get the country moving and to solve its economic ills. Members of this persuasion believe that if the Soviet Union is to make rapid progress in modernizing its economy, it will have to accelerate the use of Western technology. They favor a flexible, essentially nationalistic, foreign policy. Moreover, they tend to see Communist China, rather than the West, as the greatest potential threat to the Soviet Union, not only from a military point of view, but because Chinese arguments play into the hands of the neo-Stalinists at home.

The range of views represented at the top policy-making level does not encompass these extremes, and certainly no one leader wholly embraces either of these programs. The two extremes do, however, help to define the limits within which policy debates take place and to identify the ingredients that go into the "mix" of Soviet policy.

There is a fairly even balance in the leadership between conservative and moderately liberal interests, but it is evident from the direction that Soviet policy has taken since Khrushchev's ouster that the conservatives have generally come out ahead in the argument. They are now clearly pushing their advantage in hopes of achieving some major gain at the congress, possibly even the further rehabilitation of Stalin. Their capability



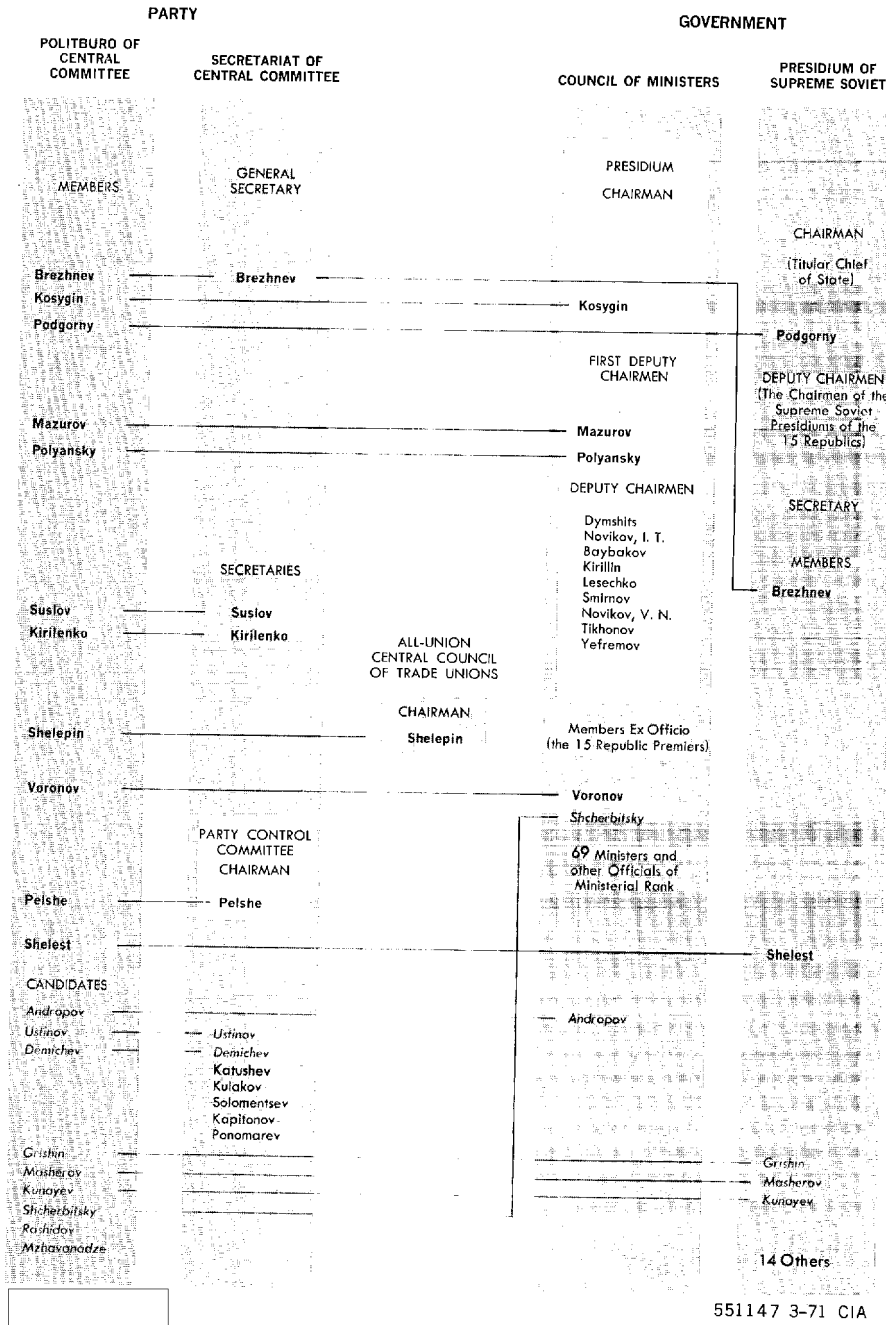
Politburo Lineup
Front row (left to right)—Voronov, Suslov, Podgorny, Kosygin, Brezhnev
Back row—Pelshe, Shelepin, Mazurov, Kirilenko, Polyansky
(the empty chair belongs to Shelest)

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INTERLOCKING DIRECTORATE: PARTY AND GOVERNMENT



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to do so without a major change in the composition of the politburo is problematical. Such a step would have a severely inhibiting impact on all domestic policy innovations and an adverse effect on the political fortunes of those in the leadership who have been associated with a push for change.

Shifting Political Alignments

The alignment within the politburo and even the position of some of the individual members have changed fairly dramatically in the five years since the last party congress. General Secretary Brezhnev, as "chairman of the board" and its most powerful member, still hews to the middle ground, but this ground has gradually shifted toward the conservative end of the political spectrum. Those in the leadership who appear to make up the hard core of his political support—the "Ukrainian group"—have increasingly come to be identified with a tough line on domestic and foreign policy matters. The independent members of the 11-man politburo, including both past and present rivals and critics of Brezhnev, now seem to have landed in the moderate sector.

On the eve of the 23rd party congress, held in 1966, the leadership was still united in its resolve to back off from many policies associated with Khrushchev, particularly his drive against Stalinism. The leadership had not given up hope that, with Khrushchev out of the way and with the taking of a decision to stop all criticism of Stalin, the major problems in relations with Communist China might be ironed out without further ideological concessions. The two leaders who had been closest to Khrushchev and who had apparently disagreed with this line on Stalin—Mikoyan and Podgorny—had already been moved to positions of lesser importance. Furthermore, the new leadership's self-styled, "business-like" approach to economic problems embodied in the agricultural and economic programs of 1965 was still too new to come under fire. Even so, three groups could be discerned in the politburo.

Premier Kosygin, with his overriding interest in improving the performance of the economy

and his general willingness to deal with the West on a businesslike basis, was the leading figure of the moderate faction. He had a very influential voice in policy-making and had gained a relatively free hand in the administration of the economy. A gentlemen's agreement had been reached after Khrushchev's ouster that the top party and government posts would not be held by one man and, although Kosygin has never seemed personally ambitious, this agreement on separation of powers made him a natural counterweight to Brezhnev.

At the other end of the spectrum were two conservative groups—an ideologically motivated one headed by veteran party secretary Suslov and a neo-Stalinist wing led by Shelepin. The Shelepin group favored a return to the use of fiat, as in the Stalin era, in directing the economy, but without the old reliance on terror and on the personality cult. Brezhnev was seen by many observers at that time as a weak leader—a compromise candidate upon whom all factions could agree.

Shelepin's association with the neo-Stalinist wing seems to have been more politically than ideologically motivated. He has always been portrayed by Soviet sources as dynamic, driving, and impatient with inefficiency, but above all ambitious for power. In the period following Khrushchev's ouster he apparently tried to use the issue of Stalin as a political device to weaken Kosygin's influence and to unseat Brezhnev. In any event, he seems to have underestimated Brezhnev's political skills, as others have.

Brezhnev bested Shelepin by an age-old tactic—he moved to protect himself against political attack from the conservative wing by adopting Shelepin's position on a number of issues, while at the same time maneuvering to oust Shelepin's supporters from positions of power on charges of factionalism. Brezhnev was assisted in this by the general fear among the other politburo members of Shelepin's ambition and by their suspicion that his commitment to the principle of collectivity was not strong. As a result, at the 23rd congress

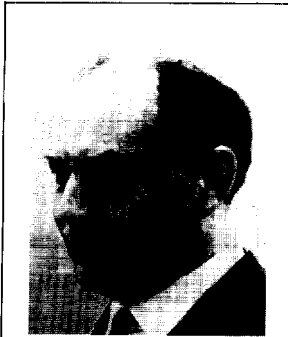
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Shelepin was stripped of his key responsibilities on the party secretariat, and one of Brezhnev's closest associates—Kirilenko—was brought into the organization.

While Shelepin's base of support was being steadily chipped away, he continued to be identified as head of the neo-Stalinist wing.



Shelepin—A New Man?

The turning point apparently came at the central committee plenum following the June 1967 Arab-Israeli war, when the ranking members of the politburo put down a challenge by Shelepin's ally—Nikolay Yegorychev, then head of the Moscow party organization—and Shelepin himself was transferred to the relatively powerless post of head of the trade union organization.

Since then there have been indications that Shelepin has gradually moderated his views. With his former power base eroded and Brezhnev and his supporters solidly holding down the conservative position, Shelepin was much in need of a new constituency and new issues. A member of the Soviet intelligentsia insists that Shelepin used to be a neo-Stalinist but is now a new man—that he began to develop contacts with liberal intellectuals in 1968 and as a result of these contacts has been converted to more moderate views. He is also reported to have made peace with Khrushchev, and to have told a Western official that Khrushchev had been right after all in pointing to the dangers of Maoist China. The reports are fragmentary and mostly third-hand, but they all suggest a rather remarkable political transforma-

tion. It is not clear that Shelepin has formulated any coherent domestic program, or that he has been won over to the merits of economic reform, but he no longer seems to be at the opposite end of the political spectrum from Kosygin.

Party secretary Suslov also seems to have moderated his views, becoming more flexible and less doctrinaire. Shelepin's transformation appears to have been the result of political factors, but Suslov's change of heart may have been the result of his growing concern over the threat from Peking and his constant exposure to diverse and frequently revisionist opinions within Western Communist parties. The emergence of Suslov and Shelepin as members of the more progressive wing of the party was evident during the Czechoslovak crisis.

Moreover, Suslov still stands as the only Soviet leader since 1964 to criticize Stalin publicly for a political mistake. In a speech in March 1969, he accused him of having erroneously branded the social democrats as the main enemy in the 1920s and 1930s, rather than Hitler's Nazism. Suslov's initiative thus laid the theoretical groundwork for an overture to West Germany that became possible after Brandt's election in late 1969 and ultimately led to the treaty signed with West Germany in August 1970.

It is probably no coincidence that Suslov's peace offering to Western social democrats came only a few weeks after the Sino-Soviet border clash on the Amur River island of Damansky. Suslov, by failing to identify the West as the main enemy, seemed to be trying to mute ideological disagreements in that quarter so as to permit the Soviet Union to concentrate on the "main danger" from the East.

Shelest Assumes the Mantle of the Conservative Party

With Shelepin and Suslov playing leapfrog in the political arena, the mantle of leadership of the

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conservative faction that once belonged to Shelepin now seems to be worn by Ukrainian party boss Shelest.



Shelest questions peaceful coexistence with the West

aspires to a higher post in Moscow, and he may not have been among Brezhnev's supporters in recent political struggles in the leadership.

Tension in the Kremlin

An extended period of tension in the leadership was precipitated in the early months of 1970 when the final figures on the 1969 plan fulfillment showed a disappointingly poor economic performance, which resulted in disagreement over the draft five-year plan for 1971-75 up for preliminary review at that time.

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Furthermore, the recent publicity given the discovery of "new" evidence of another wartime Nazi atrocity in the Ukraine looks very much like an attempt to stir up sentiment against the Soviet - West German treaty.

On domestic affairs, however, Shelest hardly fits the conventional image of a Soviet conservative. His views on matters inside the Soviet Union stand in striking contrast with those, for example, of Polyansky, who is a strong advocate of centralized management and takes a tough line toward intellectual ferment. Shelest has consistently protected a revival of Ukrainian nationalism in literary and cultural life and has pushed for greater authority and independence of action for local officials. In fact, his reactionary stand on Soviet relations with the West may be inspired, in part, by the need to cover for his political vulnerabilities on the domestic front. Shelest has clearly had a strong influence on Brezhnev, but their relationship is ambiguous. There are signs that Shelest

As the year wore on, the thorny issue of resource allocations—specifically the question of agriculture's share of the investment pie in the draft five-year plan—spilled over into public view in an argument between Polyansky, the regime's leading agricultural administrator and a close

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Kosygin (center) and his two deputies, Mazurov and Polyansky

matter up at a politburo session by pointing out to him that the Communist Chinese had praised the novel in question. Even Kirilenko, a fellow member of the Ukrainian clique, is said to have chided Polyansky at the meeting with a remark to the effect that he thought Polyansky had enough to worry about with all the problems in agriculture. On balance, although Polyansky has clearly gained a victory in the field of resource allocation, he does not seem to have been rewarded by any great increase in prestige.

With the confirmation of Kosygin as premier, the period of crisis seemed to have passed, and collective leadership returned to an even keel. At the same time, the 24th party congress was finally set for March 1971, with Brezhnev and

Kosygin scheduled as the main reporters. And, although there was to be further confusion in working out the draft five-year plan even after the rough treatment it had received earlier, the main decisions concerning the congress probably had been made.

The Business of the Congress

The congress will be focused primarily on domestic problems and is unlikely to serve as a forum for any dramatic initiatives in the foreign policy field. Its over-all tone and mood are bound, however, to affect the way specific foreign policy issues are treated by individual speakers and, indirectly, to affect future Soviet initiatives in the international arena.

Special Report

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Speakers at the party congress will probably adopt self-congratulatory and fairly predictable language regarding Soviet policy in most areas of the world. Advances by the Soviets in the Mediterranean area will be heralded if balanced by a restatement of their desire for a political settlement. Moscow will evince satisfaction at the shift from fighting to talking with China, but will couple this with routine condemnations of "Maoism." The Soviet treaty with West Germany will come in for particular praise.

Although it is unlikely that anything will be said at the congress that would close the door to continued US-Soviet negotiations on various issues, relations with the US will probably be made to appear particularly gloomy in contrast with other areas of foreign relations, which will be viewed optimistically. Congress speakers will probably see no improvement in these relations in 1971 and will flay the US for its actions in Indochina and for its continuing arms build-up.

Economic Matters

By all accounts, the congress will concentrate on economic matters. Although 1970, the last year of the current five-year plan, was generally a good year for Soviet industry and agriculture, the growth rate of the Soviet economy has continued to disappoint the leadership, and the technological gap between the East and West has not narrowed. The necessity of coming up with a new five-year plan on the basis of these results has presented the leadership with some hard decisions and has generated intense debate over the past year.

The five-year plan is a crucial blueprint for future Soviet economic development. Though subject to change, it nevertheless sets the goals of the regime and ties up investment funds and labor for lengthy periods. The formulation of plans always generates intensive infighting by individual leaders to protect vested interests in the allocations of scarce resources.

After a long delay and numerous revisions, draft directives were published in mid-February. Essentially these directives appear to be a continuation of the past plan and do not reflect any major shifts of allocations from one sector to another. The absence of some crucial figures and the unorthodox and hurried way the draft was issued, however, suggest that some aspects of the plan may still have been undecided at the time of its publication. The murkiest area seems to be the gap between the lofty promises in the preamble of priority attention to consumer goods and the figures in small print. The projected growth of consumer goods output at a faster rate than producer goods is unprecedented in a five-year plan, but the few statistics given suggest a somewhat lower rate of progress in consumer welfare as compared with 1966-70.

Management Debates

Questions of administrative reform have been even more intractable and politically sensitive for the leadership than the debate over allocations. Soviet economic growth has been seriously impeded by an outmoded administrative structure and a system of management that is not sufficiently flexible for running a modern economy and promoting technological progress.

The basic problem confronting the Kremlin is how to get better returns on capital investments and labor resources in industry and agriculture. The leaders have been hampered in their search for new methods, not only by bureaucratic infighting and political rivalries, but by their fear that reforms could lead to a loss of the party's monopoly of power. Events in Czechoslovakia in 1968, where pressure from liberal elements for economic reform quickly led to a dissolution of party control, forcefully brought home to the Soviet leaders the dangers of such reform. On the other hand, more recent events in Poland point up with equal vigor the dangers in failure to get the economy moving. In Poland it was protests by the vaunted working class over food shortages and

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the high cost of living that forced changes in the political hierarchy. Thus Soviet leaders are, in a way, damned if they do and damned if they don't. Certainly, the verbiage devoted this winter to future production of consumer goods suggests that the Kremlin has been trying to read the "lesson" of the December strikes in Poland, but it is by no means clear that the leaders agree on what that "lesson" is.

It is a measure of the frustration of the leadership in this dilemma that the proposals for "reorganization" of the economy recently under discussion are extraordinarily anemic in comparison with measures discussed in Eastern Europe. Nevertheless, even these wan Soviet gestures of "experiment" manage to generate partisan debate in the Kremlin and suggest the regional political pressures to which the politburo is subject, in addition to the more conventional institutional ones.

Fate of the 1965 Economic Reform

The 1965 economic reform was only half of a curiously complex legislative package that also involved the dissolution of Khrushchev's territorial economic administrations (sovnarkhozes) and the re-establishment of central ministries. The package was the product of an unlikely alliance between the central government bureaucracy and liberal economists. It aimed at stimulating the economy by giving individual enterprises greater operational freedom and by shifting from administrative methods to greater reliance on economic levers and material incentives for the workers.

Some of the more radical aspects of the original scheme were never implemented—they fell victim to the growing caution and conservatism of the leadership and to the fears aroused by the Czechoslovak experiments. Reform-minded elements within the leadership were put on the defensive after the invasion, and they have never regained their forward thrust.

The reform has now been introduced in most of the larger Soviet enterprises, but the

results have been disappointing in terms of production figures and costs. High-level support for the principles of the reform has seriously eroded. Few members of the politburo gave more than a passing nod to the subject in their election speeches last June. Premier Kosygin, who was most responsible for the adoption of the reform, was the only one to discuss it at any length. Although he defended it vigorously for what it had already accomplished, he said nothing about carrying it any further. An article in the January issue of the party's leading theoretical journal, *Kommunist*, contained an unusually warm defense of the 1965 principles, however, suggesting at least that the issue is not yet dead.

Planks in Political Platforms

As hopes for this reform have dwindled, Soviet politicians have squabbled about a number of other proposals in economic management. These schemes are not of far-reaching economic significance, but they do reflect a certain measure of innovative spirit, as well as the historical proclivity of Soviet leaders to believe that some rearrangement of the administrative structure can solve basic economic difficulties. Perhaps more important, these proposals are usually designed to favor special bureaucratic or regional interests, and they therefore become a basis of political competition. Thus the way in which they are treated at the congress will provide clues as to the political fortunes of their promoters in the leadership.

One scheme that has been advanced as a way of streamlining the economy is the creation of regional production associations. The concept essentially involves the grouping for planning and management purposes of enterprises in a given geographic area that manufacture similar products or use similar technology. Advocates of the scheme promise increased efficiency through specialization as well as savings in manpower and money. Regional officials have promoted it as a way of recapturing the power lost to Moscow when Khrushchev's decentralization scheme was abandoned. Associations were promoted in

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Mazurov (left), an advocate of associations and integrated planning

Leningrad in the early 1960s, and the Leningraders fought unsuccessfully to get the concept firmly established in the 1965 legislative package. Former Leningrad party boss Tolstikov, now ambassador to Communist China, was one of the strongest advocates of the associations. His successor in Leningrad, Romanov, has continued this support. Experiments with associations also have a long history in the Ukraine and presumably have the backing of Ukrainian party boss Shelest. The idea has also caught on strongly in Belorussia and the Baltic, and has been publicly endorsed by former Belorussian party boss Mazurov, who now serves as one of Kosygin's first deputies.

The main opposition to production associations has come from the central ministries, which could lose considerable authority and control. Recent efforts to create all-union, rather than territorial-based associations, even though the former have a valid economic rationale, also smack of an attempt by the central bureaucracy to turn the scheme to its own advantage. Opposition has also come from enterprise managers who, in joining an association, could lose some of their recently acquired operational freedom. Kosygin's equivocal comments on the subject suggest that he sees little virtue in the idea.

Agricultural Matters

The present leaders have made considerable progress in improving farming conditions by increasing the flow of money, machinery and fertilizers. The cost of agricultural production is exceedingly high, however, and this has generated debate and pressure for reform.

The administrative system for agriculture clearly needs improving. Part of the reason for the disappointing return on investment is the lack of coordination in the planning and performance of the various branches associated with agriculture. As a result the farms do not receive the kind of machinery they need, and crops rot in the fields for want of processing facilities while food queues grow longer in the cities. Persistent disagreement, rivalries, and jurisdictional disputes between various regional and central agricultural interest groups, however, have hindered the finding of solutions. The search for answers is complicated by the existence of two types of farms, i.e., state-run farms and the nominally peasant-managed cooperatives (kolkhozes), which create problems in working out a new form of administration. As in the case of the industrial sector, programs approved at the 23rd party congress have since been watered down, and consensus has yet to be reached on new directions.

One of the schemes advanced and ultimately defeated was the concept of collective farm unions. At the 23rd party congress Brezhnev endorsed a proposal, put forward by several regional party organizations, to establish a hierarchy of elected unions to look after the interests of the collective farms. The proposal was backed by Shelest's Ukrainian party organization and by leaders of other republics where collective farms considerably outnumber state farms. Brezhnev presumably sponsored the proposal at the congress because of his political ties with the Ukrainian leaders, but he may also have seen an opportunity to advance the authority of the party at

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the expense of the central state bureaucracy. The Ministry of Agriculture stood to lose considerable authority if the scheme was approved, and the minister made no bones about his opposition. Polyansky, the regime's top agricultural administrator, evidently also sided with the ministry.



Polansky--Spokesman for agricultural bureaucracy

Despite the decentralization feature of the proposal that should have appealed to regional leaders, there was considerable opposition to the idea from areas such as Belorussia and Estonia, where the leaders apparently felt that a kolkhoz union would conflict with a local interest in integrated regional planning. It fell to the outspoken Estonian party boss, Kebin, to present publicly the arguments against the scheme. The combined weight of these republic leaders and central ministries smothered the proposal at the Collective Farm Congress in the fall of 1969.

Agricultural Reorganization Schemes

The issues of agricultural organization are hardly significant enough to be the focus of a disruptive dispute. If they surface in disputes at the congress they will most likely be symptomatic of deeper divisions within the leadership.

The problem of how to bring some order into relations among farms and associated state

enterprises still remains, and out of the wreckage of the collective farm union scheme came new bursts of interest in the concept of agro-industrial complexes. This proposal involves the grouping together of both farms and enterprises within a given region to produce, process, and market one or several related products. The scheme has found favor with the Belorussians and Balts, whose leaders may hope that the regional basis for planning and management will lead to some decentralization of power by Moscow. In a sense the agro-industrial complex is the logical companion to industrial associations.

Several recent articles in the Soviet press have proposed that planning and administration at the national level should be accomplished on the basis of the agro-industrial concept, rather than by using the present narrow branch approach. The authoritative tone of the articles suggests that they had high-level support. It is tempting to see Deputy Premier Polyansky's hand in this. As things now stand, he is responsible for agricultural production but he has no direct authority over the industries that produce the machinery and material for agricultural production or over the industries that process agricultural products. The creation of an agro-industrial sector would give Polyansky the opportunity to extend his "empire" significantly.

On the other hand, the need to move from branch planning to integrated planning is a theme sounded by First Deputy Premier Mazurov and favored by his fellow Belorussians. A possible clue that he may be involved in the initiative was the insistence in one of the articles on the subject of agro-industrial complexes that the consumer industry should have the leading role; the consumer sector comes under Mazurov's purview.

The "Link"

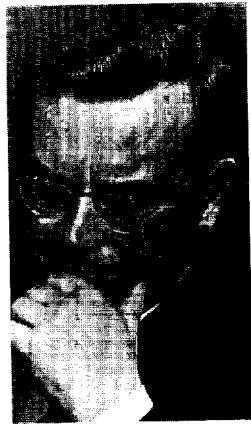
Another approach attacks the problem of lagging agricultural production at the lowest level—the organization of labor and the payment of wages on the farms. This is a proposal for the

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establishment of small-farm production subdivisions called "links." A number of kinds of "links" are being widely experimented with, but the basic form is one in which a section of the farm and the machinery necessary to farm it are assigned to a small group of farmers for an extended period of time. Unlike the usual farm brigade paid on a piece-work basis, the members of the "link" are responsible for the full cycle of work, from sowing to harvest. Their wages are then tied to the size of the harvest.



Voronov, critic of agricultural lobby

The proposal has been vigorously pushed by Voronov, premier of the Russian Republic. He is the only member of the politburo who has spoken out on the subject. The "link" has been widely introduced into the Russian Republic and in Belorussia, but there are important pockets of opposition. The Shelest-led Ukrainians are strongly opposed to the idea, and the USSR minister of agriculture—probably representing Polyansky's views—has also strongly resisted it.

There is also an obvious personal-political aspect to the debate. Voronov is a long-time rival of Polyansky and a frequent critic of the agriculture lobby. He has used the issue of the "link" as a political device to embarrass the agricultural administrators and through them Polyansky, and to drive home the need for more reform and less money in agriculture.

Socialist Democracy

Voronov's campaign for "links" seems to be one aspect of a larger but less clearly articulated movement to develop socialist democracy, specifically by encouraging greater worker participation

in management. In a sense, this push for worker participation, while falling far short of anything like the Yugoslav experiment, seems to be aimed at giving a new emphasis or direction to the economic reform—to overcome criticism that it merely encourages management and workers to "chase after rubles." Suslov and Shelepin have been noticeably cool in their public treatment of economic reform, and there are hints that they, as well as politburo member Pelshe, are all to one extent or another behind the new emphasis on socialist democracy. Pelshe, who is believed to be a close associate of Suslov, discussed the subject at length in a speech in Milan last fall, and several calls for greater worker participation have appeared in *Trud*, the official newspaper of Shelepin's trade union organization.



Suslov warms up

In two recent speeches Suslov also has treated socialist democracy and the need to involve workers in management affairs at some length. Characteristically he casts the issue in a larger ideological framework. There are, for example, hints that he is attempting to shape his views into a program that could be represented as a new advance in the building of Communism—possibly a move "forward" from the present stage of building its material and technical base to one emphasizing equal concern with building its social base.

Suslov has strongly endorsed a more important role for the hierarchy of Soviets as a counterweight to the state apparatus. It is evident that he views the Soviets—with the party at their elbow—as vehicles to temper the state administration's overriding concern with production matters and as a vehicle for increasing citizen involvement in communal affairs. A party decree published in

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mid-March outlining measures to increase the authority of local Soviets suggests that this will be a significant theme at the congress.

Outlook

The 1970 tension in the leadership was apparently resolved, or at least brought under control, without ripping the collective leadership apart. Although Shelepin and Voronov have clearly lost ground politically, they remain on the politburo. The sharp rivalries and personal animosities that surfaced during 1970, however, suggest that there has been some hardening of differences within the collective. Whereas in the past there was evidence of considerable fluidity from issue to issue and from one moment to another, this no longer seems to be the case, to the same degree. This could make Brezhnev's position as

the "chairman of the board" more difficult in the future.

It has also become clearer that it is now Suslov, rather than Kosygin, who is the main counterweight to Brezhnev and the man in the leadership to whom the moderates turn. This is partly because Kosygin's authority has diminished in the years since the last congress as a result of the failure of his economic reform to live up to its original promise and also because of Brezhnev's repeated incursions into his field. Furthermore, Kosygin has taken a less independent stand on policy issues in recent years, and his views seem more in harmony with Brezhnev's now than in the past.

Suslov's rumored willingness to take the lead in criticizing Polyansky last July is illustrative of



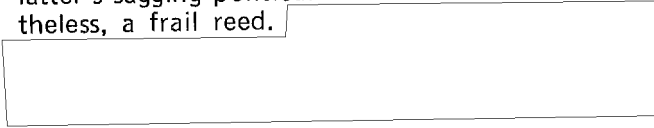
The "Seniors"
Left to right (front)—Podgorny, Brezhnev, Kosygin, Suslov

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his new role. His unusual participation in November at a meeting on the work of rural Soviets sponsored by Voronov, served, whether intentionally or not, to give a much-needed lift to the latter's sagging political fortunes. Suslov is, nevertheless, a frail reed.



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Over the years Brezhnev has been able successfully to play one faction off against another and has been the chief beneficiary of the Kremlin's delicate balance of power. He has emerged from last year's political low in a far stronger position than before. The promotional campaign in the Soviet press in his behalf in recent months and his forceful assumption of the trappings and substance of authority are clear signs that he is determined to put himself in the strongest position possible as the congress approaches.

Although there is little reason to doubt that he will remain the dominant figure in the leadership, existing checks and balances still appear strong enough to guard the system of collective decision-making and to prevent him from completely dominating the leadership as Khrushchev did. Collectivity rests on a number of organizational and procedural safeguards that were informally agreed upon by Khrushchev's successors and have become increasingly institutionalized with the passage of time.

These safeguards include not only the decision to keep the two top posts in different hands—certainly one of the main obstacles to the re-emergence of one-man rule—but also an apparent agreement to limit political patronage by denying any one leader control over key party and government posts at all levels. This has led to the development of a more bureaucratic approach to the assignment of personnel, one rather akin to a civil service system. As a result, Brezhnev has been able to bring about the removal of various supporters of Shelepin and of other rivals, but he has clearly not had a free hand in selecting their

successors. Thus preliminary information on the new central committee to be elected at the congress suggests that it will include a somewhat larger number of Brezhnev's associates than before but not an overwhelming majority.

The system of collectivity is also protected to a certain extent by an elaborate system of mutual checks that prevent any one institution from dominating the policy-making process, or one individual from establishing a foothold in more than one institution. This inhibits a member of one faction from moving against his rivals or his boss. Thus the membership on the eleven-man politburo is evenly distributed among the leading institutions—for instance, there are three members from the party secretariat and three members from the council of ministers. A careful effort has been made to avoid any dangerous overlapping of membership between the various institutions. Thus when Andropov was appointed to the government post of KGB head, he was immediately dropped from the party secretariat; his promotion at the same time to candidate member of the politburo, however, broadened his access to all eleven full members. Finally, there is the maintenance of a balance of power among individuals at all the levels of the party and government. For instance, the influence of Brezhnev's associate, Kirilenko, in the party secretariat is balanced by the presence of Suslov. Again, there are two first deputy premiers, Polyansky and Mazurov, both of whom are associated with rival political and regional groupings.

In fact, the system appears to have worked almost too well. There have been no alterations in the composition of the politburo since the last congress, suggesting that the delicate balance of power has made it exceedingly difficult for the leadership to make any change in its own membership. Even the most routine change might endanger this balance. Thus several members of the politburo who appear due for retirement because of advanced age or poor health may be held in office because of problems in replacing them. At the very least the congress should make a decision

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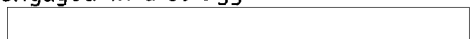
concerning the ambiguous status of Suslov and Kirilenko. Suslov was given protocol ranking as the secretary second to Brezhnev at the last party congress, but since then Kirilenko has gradually taken on most of the responsibilities as Brezhnev's second-in-command.

It would appear, however, that there will be no significant personnel actions or shift in the present balance of the leadership's power. This being the case, Brezhnev will have to continue to search for the middle ground and to work for compromises among the same factions and groupings that presently exist. While Shelepin, his principal rival in the past, has lost considerable ground politically, many Soviet officials still see him as potentially the strongest leader. Shelepin has now apparently joined with others in pressing Brezhnev to adopt more flexible, innovative policies. Brezhnev in the future must either get rid of him or pay heed to his views.

The seeming stalemate in the leadership is symbolized by the ambiguous status of Stalin's image. Since the 1965 "rehabilitation" of his

record as the man who led the Soviet Union to victory in World War II, there have been various low-key attempts to broaden this to include other facets of his career. Both his collectivization of agriculture and his industrialization program of the 1930s have been branded "successes" and declared off-limits to criticism. These "successes" are usually credited to the party and not to Stalin by name. It has not been possible, however, to erase from Soviet memories Khrushchev's revelations of the bloodshed and injustice that were the price for these achievements. The excesses of collectivization and the bloodshed of the Great Purge apparently has proved too difficult to treat publicly, and the long version of the official party history published this winter simply skipped the years from 1930 to 1937.

In the past, Soviet liberals used Stalin's "mistakes" as arguments *for* change. Conservatives now would like to use his "successes"—and Khrushchev's "mistakes"—as arguments *against* change. The two main participants at the 24th party congress may be the shades of Stalin and Khrushchev, engaged in a struggle for the soul of the congress.



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