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CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

January-February 1980

REVIEW OF SOVIET INTERNAL AFFAIRS

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Domestic Politics

The domestic and international repercussions of the invasion of Afghanistan have clearly preoccupied the Soviet leadership during the past two months. The decision to invade appears to have been ill-received by a surprisingly broad spectrum of lower-level bureaucrats.

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even some decisionmakers may be having second thoughts on its wisdom and on appropriate next steps. Almost all top leaders, however, have gone on record in support of the decision, which reduces the possibility that it will provide the catalyst for a challenge within the leadership or that it will figure importantly in the succession to Brezhnev.

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Grumbling in the Ranks

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The invasion and subsequent Western reprisals produced both turmoil and private expressions of dismay throughout the Soviet bureaucracy. The US embargo on grain and advanced technology exports reportedly disrupted preparation of the 1981-85 plan, causing consternation among administrators in both the foreign trade and scientific establishments. In talks with a former US official, Foreign Trade Minister Nikolay Patolichev confided that he and others considered the invasion a mistake, adding that he had no enthusiasm for undoing the 11 years of work he had invested in Soviet-US trade. Dzhermen Gvishiani, Premier Kosygin's son-in-law and a deputy chairman of the State Committee for Science and Technology (GKNT), was even more dismayed

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This review is based on analysis and research work completed by CIA's National Foreign Assessment Center through 11 March 1980. The contributions have been reviewed by appropriate individuals within NFAC but have not been formally coordinated. Comments are welcome and may be addressed to Chief, Internal Branch, USSR-EE Division, Office of Political Analysis, Room 6G22, CIA Headquarters,

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that the invasion simply "never should have happened." The resignation of GKNT head and Deputy Premier Vladimir Kirillin, who reputedly was personally close to Kosygin, probably was related to a policy disagreement, but the connection to Afghanistan is unclear.

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Credibility Problems

In their talks with Western officials, few Soviet officials made any effort to justify the invasion, and most seemed unconvinced by the public explanations. Even Soviet propagandists were privately debunking official accounts.

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[Redacted]

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This apparent recognition of the weakness of their case probably helped convince the Kremlin authorities of the necessity of silencing dissident Andrey Sakharov, who was beginning publicly to question the invasion. Sakharov's exile to Gorkiy in late January effectively isolated the dissident movement's most effective and prestigious spokesman. It remains uncertain whether Jewish emigration was also affected, as the rates had been in decline since last October. We tend to discount as self-serving the warning of a Soviet foreign trade official,

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[Redacted] that emigration would soon "stop completely" because "we also have our Senator Jacksons."

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Misjudging the Reaction

In addition to their domestic credibility problems, the leadership was faced with what apparently was an unexpectedly strong international response to their action. Advisers from the Institute of the USA and Canada were said to have predicted most of the US reprisal measures but to have had their views rejected as "alarmist." Foreign Ministry officials reportedly underestimated the reaction from Third World countries and also dismissed the prospects of an Olympic boycott, reasoning that Soviet troops could be withdrawn by May--an estimate presumably provided by the military planners.

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Private Misgivings, Public Support

By the end of January, the sharp international response, coupled with the resistance Soviet troops were encountering in Afghanistan, seemed to be causing some decision makers to have second thoughts about Afghanistan.

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[Redacted] a majority in the Central Committee had come to recognize that the decision had been a mistake. An official of the Central Committee's International Information Department later reinforced that impression, telling Americans that the Soviet invasion had been

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based on "misinformation" and that Moscow wanted to extricate itself from the situation as quickly as possible.

[Redacted]

Misgivings at the Politburo level, if they reached that high, were difficult to discern in the Supreme Soviet "election" speeches delivered in February, when almost every member went on record as supporting the action. (The most notable exceptions were Premier Kosygin, who made only an oblique reference to Afghanistan, and Chernenko, who failed to mention the subject.)

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Despite dissension in the bureaucracy and possible misgivings among the policymakers, the fact that virtually the entire Soviet leadership has been tarred with the same brush reduces the chance that the Afghan issue will provide the catalyst for a future succession challenge.

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[Redacted] a more likely impetus for such a challenge would be the increasing decrepitude of the Politburo's seniors.

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[Redacted] neither Brezhnev, Kosygin, nor Suslov can work more than a few hours a day for any sustained period.

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[Redacted]

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Although their ailments do not appear to have prevented them from keeping the ship of state afloat in this crisis period, the increasing likelihood of the imminent, total incapacitation of one or more of this quartet makes highly uncertain the leadership's ability to give close attention to the pressing long-term economic and military issues discussed below.

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Economic Affairs

Soviet leaders have not made progress in reviving their ailing economy. Deteriorating economic performance over the past few years has driven home to the leadership the fact that rising resource costs, impending energy and labor shortages, and sluggish productivity cannot be overcome easily or soon, and the events of the last two months have seriously dampened any chance of a major economic improvement in the next year or two. [redacted]

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The Effects of Afghanistan

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The invasion of Afghanistan will increase logistical strains on an already overburdened transportation sector and, if prolonged and accompanied by worsening East-West relations, will increase pressure for a further rise in military spending. [redacted]

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US restrictions on the flow of machinery and technology to the USSR will at a minimum disrupt Moscow's plans for upgrading its industrial plant and, if supported by other Western countries for several years, could severely impair Soviet economic progress, particularly in oil and gas production and metallurgy. Although thus far there has been some willingness on the part of our Western allies to support the US call for tighter COCOM guidelines on the export of high-technology machinery and equipment, official country positions remain undefined. [redacted]

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Limits on Western credits would also retard Soviet growth by interfering with plans to modernize the Soviet economy across the board with the help of Western equipment and technology. Although no individual ally has supported US requests for a cutoff of new credits, several key countries slowed the pace of negotiations. The willingness of our allies to continue to hold back on new credits appears to be eroding, however, now that France has agreed in principle to a new 5-year credit pact and Germany has probably provided government-backed financing for the sale of pipe. [redacted]

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Short of an outstanding harvest in 1980, the denial of 17 million tons of US grain--even if nearly half offset by imports from other countries--will result in at least a 2-3 percent decline in meat production this year as well as damage to livestock herds that will have to be recouped in future years. [redacted]

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Consumers Hardest Hit

As usual, the brunt of Soviet economic problems will hit the consumer hardest. Improvements in living standards, which have been eroding, will be even harder to achieve this year. The slowdown in growth of industrial output is impinging on the supply of many household goods as well as holding down construction of new housing. The output of consumer nondurables in January 1980 remained nearly 4 percent below the level

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produced in January 1978. Perhaps most irritating to Soviet consumers is the regime's inability to meet the demand for quality foods. Per capita meat production--a key indicator of consumer welfare--declined by nearly 1 percent in 1979, and a further drop this year will mean even more belt tightening by consumers in the months ahead. [redacted]

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Energy Problems Continue to Mount

The regime's perceptions of its energy situation have become more pessimistic in recent months, and Soviet leaders and bureaucrats alike have become more candid in discussing their energy problems.

----Vladimir Dolgikh, the Central Committee secretary responsible for supervising heavy industry, acknowledged in a recent article that plans for oil production in the key West Siberian region are unrealistic without major improvements in technology and productivity. He admitted that with existing technology and at current tempos, production plans could only be achieved by increasing the number of drillers by hundreds of thousands.

----Aleksandr Krylov, a member of the Soviet Academy of Sciences and a leading petroleum expert, noted in another recent article that if present Soviet exploitation methods are not changed, production of oil will soon peak and then start to fall. [redacted]

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Recent analysis indicates, in fact, that Soviet oil production is likely to peak this year at less than 12 million barrels per day and then begin to decline. Growth in Soviet oil output last year dropped to half the 1978 rate. The increase of 280,000 barrels per day was the smallest absolute gain since 1956. Production figures for January 1980 put oil output at the same level as last October (11.9 million barrels per day). Coal production fell by 5 million tons in 1979, and the energy content of coal output is falling even faster as the decline in production of good quality coal is not being offset by increased output of lignite. Gas output--the one bright spot in the energy picture--increased by more than 9 percent last year. [redacted]

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As energy stringencies worsen--especially oil--Moscow will almost certainly be looking for opportunities to improve ties with the oil-rich states in the Middle East. Soviet leaders will want to encourage the emergence of regimes, particularly with a leftist, pro-Soviet orientation, with which they can barter arms and development aid for oil. If the oil gained by barter is insufficient for Soviet needs, Moscow might be attracted toward an even more aggressive policy aimed at acquiring foreign oil--albeit in the face of powerful constraints. [redacted]

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Military Issues

There is considerable evidence that Soviet military planners, along with the policymakers they persuaded of the efficacy of armed intervention, have been surprised and embarrassed--but not deterred--by their miscalculation in Afghanistan.

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The Origins of the Decision

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[Redacted] Brezhnev and his Politburo colleagues based their decision to invade on an assessment from the military high command. [Redacted]

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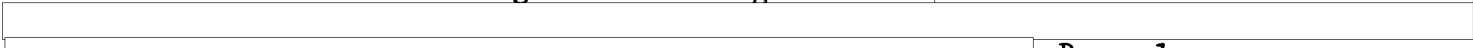
[Redacted] While these accounts tend to whitewash the leadership's role in the affair, they gain credibility from public statements by military officers since the invasion which stress the threat that developments in Afghanistan supposedly had posed to the USSR's southern flank. [Redacted]

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Despite the gradual downhill slide of the Taraki regime during 1979, the Soviet General Staff's pessimistic assessment probably did not crystallize until late October, when Army General Pavlovskiy returned from his two-month fact-finding mission in Afghanistan. [Redacted]

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[Redacted] By early December, in any case, the first elements of what was to become the "Soviet expeditionary force" had moved into Afghanistan. [Redacted]

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The High Command's Miscalculation

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We do not know precisely when and how the military planners think the Afghan operation should be brought to its conclusion. [Redacted]

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[Redacted] The initial course of the intervention suggests that the General Staff assigned a major role to the Afghan army in countering the insurgency, with day-to-day administration and control left to Kabul authorities. Soviet troops were mainly positioned to defend principal cities and lines of communication against insurgent attacks. [Redacted]

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The limited nature of the Soviet military role in Afghanistan implicit in these initial moves suggests that the high command did not

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anticipate the difficult situation in which it later found itself, and thus seriously miscalculated. The miscalculation caused consternation in several quarters.

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[Redacted]

The Reaction: "Be Ruthless" But Assuage Public Opinion

In approving the military's preferred course of action, the Politburo placed a heavy responsibility and considerable pressure on Ustinov and his subordinates for a favorable outcome. The direct involvement of senior officers in the Afghan operation is testimony to their commitment to success:

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[Redacted]

At the same time, the Soviet leadership has sought to conceal from the public the problems encountered by the military in Afghanistan and has begun an all-out propaganda campaign to portray a peaceful "revolutionary" situation developing in the country. Party Secretary Ponomarev, in delivering his "election" speech in early February, began this effort with the blatantly false claim that there had been "no clashes" between Soviet troops and the Afghan authorities and populace, who were said to have a "friendly attitude" toward the troops.

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