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MEMORANDUM FOR THE RECORD

SUBJECT: Gorbachev's Reform Program

25X1 1. On 23 June the House Foreign Affairs Committee's
25X1 Subcommittee on Europe and the Middle East received a briefing
on Gorbachev's reforms in the Soviet Union and their prospects
for success. Doug MacEachin, Director of the Office of Soviet
Analysis, and [redacted] Assistant NIO for the USSR provided
the briefing which was given at the Secret level in room H-139
the Capitol. [redacted]

2. Members present at the briefing included:

Rep. Lee Hamilton, (D., IN)
Rep. Stephen Solarz, (D., NY)
Rep. John Miller, (R., WA)
Rep. Ben Gilman, (R., NY)
Rep. Bob Dornan, (R., CA)

3. Staffers attending the session included:

Mike Van Dusen
Hillel Weinberg
Dan Finn
Katherine Wilkens
Stanley Roth

4. Mr. Hamilton was most interested in the recently
concluded party conference and what it meant for Gorbachev's
ambitious reform agenda. Before analyzing this event,
Doug MacEachin offered some brief introductory remarks on the
problems confronting the Soviet leadership and the political
strains resulting from Gorbachev's activist approach. The
impetus for change in the Soviet Union could be traced back to
the mid-1970's when it became obvious that the economy could
not finance a massive military build-up while at the same time
providing an adequate material base to ensure the quality of
life. During the Brezhnev years the leadership pursued a
strategy of muddling through, shortchanging both the consumer

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and the investment sector. Yet, by the early 1980's, economic inefficiencies and low growth rates had become too serious for the leadership to ignore. In one of his last speeches, Brezhnev warned his military that they would essentially have to do more with less. []

5. Gorbachev first attempts to deal with the economic crisis in the Soviet Union were hardly reformist, depending almost entirely on a human factors campaign directed from the center. When it became apparent that this tinkering with the Stalinist model was not sufficient, Gorbachev moved in the direction of political reforms as a prelude to real economic reform. []

6. [] Assistant NIO/USSR, echoed much of Mr. MacEachin's presentation, indicating that much of the Soviet leadership was in agreement on the need for economic reform but that they disagreed as to the scope and pace of this change. Gradually Gorbachev has abandoned his early package of measures to fix the economy in favor of a more radical solution. This new approach has apparently hastened the political estrangement of Gorbachev from his former second secretary, Ligachev, who supports a more conservative approach to economic change. With the convening of a party conference, Gorbachev hopes to generate political support for economic reform. Beyond removing the most conservative elements of the party apparatus, Gorbachev is obviously looking to the Party Conference to lay the basis for needed political reform. []

7. At this point, the members began their questions. Representative Hamilton was somewhat bothered by the identification of Gorbachev as a "democratic reformer" and asked how this squared with his continued espousal of Marxist-Leninist doctrine. Both Mr. MacEachin and [] indicated that Gorbachev was willing to open debate within the Politburo and consider other measures such as multi-candidate elections and limitations on terms for party officials. Mr. Solarz asked about growth rates in the Soviet Union and examples of where Gorbachev's policy directives have proven controversial with the rest of the leadership. Examples mentioned included reexamining Soviet history and the excesses of the Stalin regime and the modification of traditional ideology. Mr. Miller asked the presenters if they believed that the Soviet Union had given up its goal of ideological world domination. [] suggested that Gorbachev no longer believes the USSR must function as a role model for the rest of the world while still believing that it is a superior system to capitalism. Mr. Hamilton was bothered by the notion that we seemed to be saying the Soviets were less militarily confrontational than in the past. At this point, Mr. Solarz

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interjected a helpful distinction between intentions and capabilities. The speakers agreed while there has been no diminution in Soviet capabilities there has been something of a change in their intentions. The briefing ended shortly after.

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