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MEMORANDUM FOR:

*Here are some thoughts I
 assembled for possible use
 at that 26 Sept. meeting...
 and also to practice on my
 new P.C.*

F. F.

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FORM 101 USE PREVIOUS EDITIONS

To:

Rm 5E56, 04B

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THOUGHTS ON THE SOVIET INTERNAL CRISIS

Elements of Crisis

If present political, social, and economic trends continue in the USSR, it is highly likely that a sharp discontinuity will occur, either some form of reversion to repressive rule or some form of social revolt threatening system overthrow. Either one of these results could generate the other. The factors and trends which comprise this crisis situation are:

Interethnic strife and communal violence

Polarization of reform and anti-reform attitudes in the society and elites

Rising rates of crime and threats to person and property

Economic deterioration with the imminent possibility of a currency collapse leading to wider economic disruption

Total collapse of belief in or even deference to the hitherto official ideology

Rapid erosion of the political and administrative authority of the party apparatus

The emergence of other, but disorganized, power centers

A mounting anxiety about the crisis throughout large elements of the Soviet population

Erosion of Gorbachev's popularity

It is possible that Gorbachev's power within the leadership, so far unchallenged by any organized faction (and very much amplified by the cadre moves at the September Plenum), plus the emergence of alternative bases of power, such as the Supreme Soviet, popular fronts, strike committees, could constitute the elements of a new political order that could evolve out of and supercede the present crisis. But this has to be a process lasting years. In the meantime, amid the general erosion of system legitimacy and effectiveness, two of the above factors threaten to force sharp turning points within months:

A currency collapse could turn the current consumer crisis into a general economic collapse through barterization of the economy, strikes, and shutdowns of vital industries, transport, energy, and food

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distribution. This could generate either social revolution or a reactionary coup to avert it.

The clear determination of the native Baltic populations to press for full independence could force Gorbachev to use harshly repressive measures or cause his replacement by a leadership willing to. If tolerated, Baltic secession would probably lead to similar moves in other republics eventually precipitating the crackdown.

What is alarming about these crisis trends is the rate at which they are intensifying. There are no obvious reasons why they should be expected to stabilize or turn around on their own. No good news looms on the horizon. The coming winter will intensify consumer hardships and difficulties in various economic sectors. Nationalist agitation seems likely to grow in boldness despite Kremlin warnings; the Ukraine is now coming alive with it. The political turbulence has already produced a potential charismatic challenger to Gorbachev outside the leadership, Yeltsin. Sooner or later one would seem likely to emerge, closer to the levers of Kremlin power.

Yet all these apocalyptic developments do not make the collapse of perestroika literally inevitable. It is still possible that threatening trends could stabilize, leaving a turbulent but not rapidly deteriorating situation. Avoiding the currency collapse and somehow getting a little upturn in some economic area could avert the economic disaster. The Balts are determined to press for full independence and no amount of pleading for "moderation" can persuade a reasonable man that they do not have the right to it or that this is not the best time to seek it, whatever the risks. The worst can be avoided, however, if Moscow simply manages to avoid overreacting to declaratory challenges and prevents its own reactionary elements from fomenting communal violence between the local and Russian populations.

East Europe

In short, it is healthy that the naive confidence about Gorbachev's prospects of only a few months ago has been replaced by fuller appreciation of the grave obstacles faced by any serious reform in the USSR. But we should not go to the other extreme of cultivating a new fashion of pessimism.

The principal problem for US policy as it confronts all this, however, is not contingency planning, but simply planning and policy development for what is patently taking place: The rapid erosion of the Soviet communist order as we have long known it. This is not a "what if" predicament; it is staring us in the face. Here developments in East

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Europe are in every way as important as those in the USSR, perhaps more so.

It is fair to say that things have progressed to the point where, almost no matter what happens in the USSR, the Soviet power position in East Europe, hence in Europe and the World, is irretrievably undermined. By now it would take massive military measures by the most reactionary regime in Moscow to put humpty-dumpty back together again, and even then he would not be the same. Poland and Hungary are rapidly leaving the communist world. Czechoslovakia and East Germany can not long resist the political tides. Although the Polish and Hungarian reform process could fail in many political and economic respects, this would be very unlikely to recreate orthodox satellites of Moscow on the old model. If the Warsaw Pact survives, it will likely be as a hollow shell. Without viable communist dictatorships to back up, Soviet military deployments in East Europe are not a practical means of political control.

All this puts back on the agenda the issues of German unification, the historic squabbles of the East European nations, and how to define and meet legitimate security concerns without allowing some nations, especially but not only the Russians, to tyrannize over others. All this faces the US and its allies NOW. It is not a contingency. The task of designing a stable post-Yalta world can only be constructively addressed, however, if the process of democratic reform of the political and economic life of East Europe succeeds. Failed reforms that lapse into traditional nationalist authoritarianism will only make matters far more dangerous and difficult. Hence the urgency of supporting Polish and Hungarian reforms NOW.

Articulating a "vision for Europe" -- a task the President thought he'd taken care of this past spring and summer -- is still on the agenda. The US cannot dominate the discussion as it did in the past; but neither can it leave everything to the Europeans or the course of events.

The Baltics

The most pressing Soviet contingencies for planning are also so pressing that they are almost not contingencies, but current predicaments. They are the two crisis precipitants mentioned above: a) a Baltic confrontation with Moscow, and b) a general economic collapse triggered by the fall of the ruble overhang.

A calendar of events already on the books, e.g., elections, referenda, and local parliamentary agendas, has a high potential for precipitating a Baltic-Moscow crisis during the next six months or so. Because Gorbachev himself remains in a politically strong position within the

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leadership, he is likely to be in charge of Moscow's crisis management in the near-term. From the beginnings of the current nationality crisis, Gorbachev has tried to be a compromiser, showing sympathy for the aspirations of the non-Russian populations and eagerness to use their energies on behalf of reform, while admonishing, sometimes sternly, that the integrity of the Union be respected ultimately. Although Baltic popular and communist leaders know the need to proceed carefully, the Baltic populations are increasingly determined to strive for full independence, believing that now is the best time and that any residual ties to Moscow condemn them to political, economic, and ecological decadence and dependence. The September Plenum has probably not helped, but made matters worse. Gorbachev offered homelies, not solutions. His warnings and historical references will probably only anger the Balts and prove no more intimidating than similar fulminations from Gorbachev personally in July and the Central Committee in August. And the ouster of Chebrikov and others indicates that the conservatives are weaker than ever, thereby probably emboldening the secessionists.

These conditions assure that a crisis over the Baltics will occasion great strain in the United States, as we try to decide how to apportion between two deserving but incompatible objects of our sympathy -- Gorbachev and the Baltic people -- as well as two competing values, reform in the USSR as a whole and outright self-determination. Congress and all manner of publics, including Baltic-Americans, will get in the act.

The Intelligence Community is likely to come under greater pressure to produce definitive judgments before the fact than it faced in the run up to Tienanmen Square. But the problems will be similar: We shall be asked, as we were about Deng, what is Gorbachev, a besieged reformer trying to save the Soviet Union through compromise or a closet imperialist/colonialist? We shall be asked, as we were about the Chinese students, to help form judgements about the virtue of the Baltic political agenda: Is it rational self-liberation; or irrational and destabilizing nationalism? And we shall be asked to cast insight into Kremlin intrigues and to explain military activities that might presage a crackdown.

A Moscow-Baltic confrontation could last a long time, as the parties both exchange combative declarations and seek ground for compromise. If it were only up to Gorbachev and the Baltic populations, a compromise of at least temporary duration would likely be found, even though the ultimate issues are not subject to real resolution. The flies in the ointment are party reactionaries in both Moscow and the Baltics, on one hand, and some elements of the Russian population in the Baltics on the other. For the very

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purpose of provoking a violent crackdown that would unhorse perestroika and probably Gorbachev himself, both of these spoiler parties would seek to inspire communal violence (as they did this summer's strikes over the Estonian language law).

Economic Collapse

The contours of a sharpened economic crisis in the Soviet Union are less obvious than those of a crisis over regional nationalism. They could be illuminated, however, by some focused analysis, which ought to be commissioned now.

It is quite possible that economic disaster could strike while Gorbachev is in power and not result in his removal. This would leave the US facing challenges as to what it is willing to do to help him. Rescuing the Soviet economy in any time frame is beyond the collective resources of the West. But we could well confront a situation compelling actions within our power for purely humanitarian reasons. Such a situation would arise were the Soviet food supply system to completely break down. How that might happen and what we could do to alleviate the threat of famine, suffered by people in the USSR already twice in this century, would be well worth some prior study.

Gorbachev Opts For Repression of Nationalism

Through removing Chebrikov, Shcherbitskii, and other conservatives at the September Plenum Gorbachev has bought himself more time, some would say to continue destabilizing the USSR, others would say to make perestroyka work. In any case, the odds of his ouster through a Kremlin plot are now reduced once again. The military and the KGB are not likely to move against him on their own, without a unified and legitimizing Politburo invitation (although this is a tricky question we have to keep close tabs on).

With a stronger Kremlin hand, Gorbachev may now be in a position to push the economic reforms which have the prospect in the long run of easing the economic crisis. He may be in a better position to compromise the nationality crisis. But real solutions to the manifold problems of the system are no more visible after than before the September Plenum. This Plenum increases the likelihood that showdowns with local nationalism or an economic collapse will befall Gorbachev himself rather than some successor.

This makes a Gorbachev move toward repression of nationalist ferment a more likely contingency during the next year than his overthrow. The odds are probably less than even at this point, but still considerable (say 30%). Were such a move to occur, it is likely to lead to fairly extensive violence among ethnic groups (e.g., Armenians versus Azerbaidzhanis),

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which is already commonplace in the Caucasus and Central Asia, but also to much more violence between Russians and anti-Russian ethnics, and between the latter and the police and the military.

Moscow's repressive measures would start with an increase in rhetoric intended to warn and intimidate the ethnics. This would be followed by selective arrests of popular front leaders labeled as "extremists", intended to intimidate and to get activists out of action. Given the atmosphere in the USSR today -- contempt and hatred for central authorities, a sense that populist action can get results, and a belief that it's "now or never" for independence or secession -- plus the widespread availability of arms, modest repressive measures are unlikely to work and will lead to escalating violence. Conditions similar to those of Northern Ireland, already being approached in the Caucasus, could appear in the Baltic, in Central Asia, and possibly in the Western Ukraine. Moscow would be compelled to use force more widely and brutally than ever in recent memory within Soviet borders.

Thus, this "contingency" conjures an image of many Tienanmen Squares around the Soviet Union. Such a development would have inevitable impact on US-Soviet and East-West relations.

Public and congressional reactions would probably force a freeze of most diplomatic and government-sponsored economic undertakings, at least until the large political implications of a Gorbachev-led crackdown became clear.

There would be considerable tension and disarray within NATO about where and how to take retaliatory steps.

The US would be forced to take an explicit position on whether the Baltic countries have a right to independence or whether Moscow has a right to coerce their continued membership in the Union.

There would be an increase of refugees and defectors coming out of Soviet border regions and an increase of arms smuggling into those regions.

Having observed the power of TV coverage in the China case, the Soviets are likely to bundle Western newsmen forcibly out of areas of violence.