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Trends in Soviet General Policies

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TRENDS IN SOVIET GENERAL POLICIES

THE PROBLEM

To estimate main trends in Soviet internal and foreign policy over the next year or two.

CONCLUSIONS

A. After the stormy years of Khrushchev, the Soviet Union seems to have settled down. The new leaders have framed a number of new policies, which are more realistic in terms of Soviet capabilities. In general these policies are more conservative. Internally, the leaders are trying to tighten up; they are trying to control the various spontaneous forces set loose under Khrushchev. Externally, they have given first attention to problems in the Communist world, particularly the challenge of China. They seem fairly well satisfied with the results thus far, and probably intend no great change in the near future.

B. However, there are trouble spots. There are tensions between the regime and the intelligentsia. Economic plans are still too ambitious and their failure would sharpen the question of how far and fast to go with reforms, particularly in introducing the "profit" system. Further strains on the allocation of economic resources are likely to be imposed by the demands of the military and space programs, and the ambitious agricultural plan. Though Brezhnev has emerged as the regime's leading figure, the ultimate locus of power and the manner of its exercise are far from settled.

C. As for foreign policy the regime has done well in isolating the Chinese and regaining positions in Asia lost by Khrushchev, but much will depend on what happens in Vietnam. The Soviets probably want the war to end soon, preferably by negotiations. But they do not

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yet have this much influence in Hanoi, and they will probably have to stick by their present policies—continued military aid and political support, but limited actual Soviet involvement. US-Soviet relations have been constricted by the Vietnamese war and no significant improvements are likely as long as the war continues.

D. In Europe, the Soviets will be more active seeking to exploit de Gaulle's disruptive maneuvers within NATO. However, there is not too much they can do as long as their policy is fixed on the division of Germany. An active policy is likely to be continued along the wide arc of countries south and east of the USSR. The Soviets have made progress in this area—Turkey, Iran, India, Pakistan, Japan—and will try to consolidate their gains at the expense of both China and the West.

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DISCUSSION

1. The 23rd Congress of the Soviet Party confirmed the main lines of foreign and domestic policy that have been gradually evolving since the fall of Khrushchev. Managed in the business-like fashion which is the image cultivated by the new leaders, the Congress produced no spectacular surprises and no broad new initiatives.

I. THE LEADERSHIP

2. In the 18 months since Khrushchev's removal, his successors have managed rather well in running the country without serious political upheaval and in setting their own stamp on the whole range of Soviet foreign and domestic policies. Within the framework of collective leadership, however, friction has continued over both policies and power positions. For the time being, Brezhnev has emerged as the leading figure of the group.

3. This apparent stability is probably related both to the personalities of the leading politicians and to the peculiar circumstances of the USSR at this time. Neither Brezhnev nor any of the other leaders appear to possess the highly combative spectacular style of conduct that characterized Khrushchev. To a great extent the new regime has established the rule of the party bureaucrat, and this encourages policies and practices which are less upsetting to the established order. There has been marked tendency for political decisions to come down near the center of the Soviet political spectrum.

4. Nevertheless, there is some evidence that each major policy decision has produced some contention. This has not resulted in a political upheaval, in part because the regime has not been under the pressure of acute crises. And, in addition, much of the regime's activity has been negative, a discarding of Khrushchev's organizational superstructure and methods—presumably reflecting a basic anti-Khrushchev consensus that evolved while he was still in command and resulted in his removal.

5. *Prospects.* We think the outlook over the next year or so is for a continuation of the present situation. The "collective" leadership will probably endure for this period. In our view this means that, though some individuals will gain in influence and others slip from power, no single person is likely to amass powers approximating those of Khrushchev. This should provide an element of continuity and stability in major policy fields.

6. At the same time, the struggle for leadership will continue and perhaps become more intense. There is still a large requirement for a central point of command and authority, and this point tends to be the party leader. Brezhnev appears to be following a classic pattern by gradually enhancing his own position, most recently acquiring Stalin's old title of General Secretary.

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7. Thus collective leadership may break down through the efforts of the General Secretary to expand his position, or through the efforts of the others to circumscribe or remove him. The durability of collective leadership also depends to some extent on how critical the problems are, particularly the domestic ones. Thus far the leaders have demonstrated a willingness to compromise on many of the very issues which in the past proved the most divisive—agriculture and the allocation of economic priorities. This suggests that it may be some time before specific policy issues become so acute that alternative and opposing policy lines will be sharpened to the point of provoking an overt power struggle. In addition to personal ambitions, the most likely causes for eventually undermining the prevailing balance are the perennial problems of the USSR: the economic issues, including defense; the proper relationship between the party and the state administration; and the question of policy toward the intellectuals. And, of course, serious foreign policy setbacks could cause differences among the leaders. Finally, the entire question of how to deal with Stalin, which was skirted at the Party Congress, could prove to be the most immediately explosive.

II. INTERNAL POLICIES

8. The present leadership has assumed a distinctly more orthodox character than Khrushchev's. In most fields of internal policy, except for some aspects of economics, the regime has sought to curb the more liberal tendencies that were evolving under Khrushchev.

9. *The Party.* The plight of the party was an important cause of the return to a more fundamentalist Communist outlook. By his frequent reorganizations, his insistence on the party's more direct management of the economy, his permissiveness toward dissident writers, and his repeated waves of de-Stalinization, Khrushchev had gone far in disorienting the party professionals. The party was expanding rapidly, and many technicians and specialists were being admitted to membership. Disarray in the international Communist movement also contributed to the erosion of the party's confidence in its power and doctrine.

10. The new leadership has made a considerable effort to counter this trend. There has been a consistent concern to stress the party's authority over all fields of endeavor and to revive the morale and elan of the party worker. Though the party's direct participation in the detailed management of economic affairs has been reduced, its command and control system for policy decisions has been recentralized. Ideological indoctrination and the practical value of theory have been greatly reemphasized; potential infringements on the party's sovereignty such as the investigating authority of the Party-State Control Committee, have been abolished. Central Committee meetings have been held more often, and the participation of non-party specialists from outside interest groups has been reduced. The regime apparently intends to slow down the expansion of the party; stricter criteria have been laid down for membership; the quota for turnover in leading party personnel has been abolished. This general line of enhancing the prestige and moral authority of the party explains in part the revival of old terminology—e.g., politburo.

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11. The desire to build up the party's image confronts the current leaders with the problem of Stalin's reputation. They are clearly interested in undoing the extremes to which Khrushchev went in denigrating his predecessor, yet they recognize that any very explicit efforts at rehabilitation could stir up a storm within the USSR and throughout Eastern Europe. They have apparently not yet fixed on the proper way to cope with the problem; certainly they had no solution in hand at the time of the 23rd Congress, when the issue was virtually ignored.

12. The effort to enhance the party's prestige and influence may exacerbate, rather than heal, underlying conflicts in the USSR. It is hard for a small power elite to exercise total control of the complex social and economic problems of an advanced industrial society. The pressures for greater freedom—personal, intellectual, and artistic—have become more insistent. The effectiveness of reforms in economic policy and organization requires greater participation by technicians, greater respect for expert opinion, and more freedom of decision at lower levels. But recent trends indicate that there is considerable resistance to such a loosening up of Soviet society. Many forces within Soviet society—the secret police, the military, the Stalinist literary coteries—all find a traditionalist political climate more compatible with their aims and ideas. The groundwork is thus being prepared for a future conflict.

13. This resistance to change is by no means a return to Stalinism. The control of the party over the secret police and the military will almost certainly continue. Shifts to harsher methods, such as recent repressions of liberal writers, still have fairly well established limits. The reaction of the Soviet intelligentsia to the arrest and trial of two liberal writers and to the rumored rehabilitation of Stalin indicates a continuing vitality among the more progressive elements in the Soviet scene. And professional economists such as the Liberman School, who are of a more modern, unorthodox persuasion by Soviet standards, have made considerable headway. Nevertheless, in terms of the evolution of Soviet society, the present period appears to be a stagnant one.

14. *The Economy.*¹ The Five-Year Plan for 1966-1970 has set the new regime's course of economic policy. Not only does it establish less extravagant goals than Khrushchev did, but it addresses many of the chronic problems that have plagued the Soviet economy during the past five years. The plan is nevertheless ambitious. It seeks to regain the growth rates of the 1950s, raise industrial output, narrow the gap between heavy and light industry, double investment in agriculture, increase the efficiency of industrial management, and do all this without having to reduce military and space programs.

15. The plan looks toward an economic growth averaging 6.5-7 percent annually, a rate comparable to the good years in the late 1950s and considerably better than our estimate of 4.5 percent average of the past five years. This optimistic projection does not rely on significantly greater injections of labor

¹ A detailed estimate of the USSR's economy will be provided in NIE 11-5-66.

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and capital than in the past. Instead, the plan depends on squeezing from these inputs a substantially greater return in both industry and agriculture.

16. As before, performance in the agricultural sector will be a decisive factor in the regime's economic prospects. In every respect, the agricultural program introduced by Brezhnev is an ambitious undertaking: a 25 percent rise in total agricultural output over the plan period; a 30 percent rise in grain production; total investments of \$78 billion; sizable increases in deliveries of machinery, especially trucks to agriculture; and a number of measures to stimulate individual efforts through material rewards. The program is costly and requires a steady, persistent effort, free from the meddling of the political leadership. The regime is also making the questionable assumption that existing institutions and practices are appropriate for effectively absorbing these great new inputs. Weather, of course, may prove a more critical factor than all the careful planning done in Moscow. All things considered, however, the Soviet Union seems embarked on a serious and extended effort greatly to increase agricultural output by 1970.

17. Another major factor in Soviet economic performance will be the weight of the military and space programs. The available data do not permit precise estimates, but it appears that the Five-Year Plan allows for a rise in expenditures for these sectors. Indirect evidence, including the statements of the political leaders, suggests a political climate favorable for the military establishment and for an expanding military effort. Even if the rates of growth planned for national income and productivity fall below the ambitious plan, military and space expenditures can still grow at a moderate pace. But if there is a general failure in economic performance, the claims of military and space programs are likely to become critical. At best, the competition for resources will continue, and it will become more acute if the economy's performance falls substantially below the planners' expectations.

18. By 1970, according to plan, the light consumer goods industry will finally have attained a growth rate comparable to that of heavy industry. Consumer hard goods will become more plentiful, quality should improve, and, on paper at least, light industry is no longer to be the orphan of the economy. However, the prospect for a substantial rise in the standard of living is only fair. Historically, all Soviet plans have promised much and delivered less to the consumer, and it seems likely that, over the plan period, political and economic pressures will again lead to a downgrading of light industry.

19. *Economic Reform.* The Soviet leadership is pinning many of its economic hopes on a series of reforms in industrial management. These reforms, which were introduced by Kosygin last September, are designed over the long run to give industrial managers greater freedom—in hiring and firing, in arranging contracts with customers and suppliers, in setting work assignments, and in distributing bonuses. Efficiency is to be improved, not only by tying bonuses more closely to individual performance, but also by charging enterprises for the use of fixed and working capital and by crediting enterprises only with goods actually sold rather than with goods produced. Three features cast doubt

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on the success of the reforms. First, Moscow will still make the key decisions: the quantity and assortment of output, the amount and type of investment, the rate of introduction of new technology, and the size of the wage fund. Secondly, the profitability of enterprises is highly dependent on the prices set for their raw material and finished products, yet present price schedules are obsolete and are now undergoing a long and complicated revision. Thirdly, there is considerable question about the willingness and capability of Soviet managers to adapt to the new system.

20. *The Economic Outlook.* Given the questionable prospects for agriculture and the probable heavy impact of military and space spending, we think the regime's plan is overly optimistic and depends too much on every sector increasing its efficiency rapidly. The economic reforms could provide an initial stimulus, as Khrushchev's 1957 reorganization did, but they may prove so disruptive as to hamper production. Over the longer term, there is likely to be even greater bureaucratic resistance and interference, and further high level policy conflict over the pace of reforms. If so, then uncertainty and confusion may actually reduce the chances for better economic performance. In any event, the overall economic outlook is only fair. Since the planned rates of growth are not likely to be achieved, hard economic choices will continue to confront the regime.

21. As always, the political factor weighs heavily in any estimate of Soviet economic prospects. The present plans require a stable leadership and agreement on the main lines of policy. Moreover, the Soviet economy has little flexibility or margin for error. The policy of reasserting the role of the party and the trend toward orthodoxy could frustrate plans for effective reform and hence impede a rise in productivity. If performance fails to meet expectations, there will be a strong tendency to blame the reforms, but there will also be counter pressure to implement them more rapidly and fully. Thus, political contention over economic policies and the reform program will probably become acute if the economy fails to display the vitality that is hoped for.

22. *The Military.*² Special mention should be made of the improved position of the military. Though the party fully intends to exercise close control, a number of circumstances have probably combined to increase the relative influence of the military leaders in their field of competence. Unlike Khrushchev, the present political leaders have not yet entered into public debates on military doctrine. There is also a serious concern over the Vietnamese war, the implications for the USSR of the buildup and expansion of the US armed forces, and the growing power of China, all of which make the civilian leadership look for expert military counsel. Moreover, in a collective leadership, a single individual is not likely to take the lead in setting himself against professional military advice without guarantees of broad support. Thus we believe that the Soviet military establishment now finds itself in a better position to get a hearing for its special interests and policies than in recent years.

² Soviet military policy will be more fully discussed in NIE 11-4-66, scheduled for May 1966.

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III. FOREIGN AFFAIRS

23. Though the Soviet leaders have seemed more preoccupied with domestic matters than foreign affairs, there have been noteworthy changes in some aspects of Soviet foreign policy as well. In a sense, as in domestic affairs, a more conservative view of the international situation has evolved. This trend in foreign affairs has been reflected mainly in a reordering of priorities: the Soviets seem most concerned with the immediate problems and issues of the Communist world. As a result, Soviet policy has been focused on the China problem and, within this context, the Vietnamese war.

24. There is no indication that the new regime has radically new or different views concerning the various factors and conditions which must shape Soviet conduct. Doubtless, they still see their military power as serving two basic purposes—defending the USSR and expanding its influence. However, they apparently estimate that the present balance of power in the world does not permit the more aggressive and assertive policy which characterized Soviet conduct during the Berlin crises and the Cuban missile venture. At the same time, however, the Soviets have also muted the attempt to create an atmosphere of a detente with the US and have redefined their peaceful coexistence strategy in somewhat more negative terms. In sum, the Soviets apparently see the present period as an unfruitful one, either for major accords with the West or major gains at its expense.

25. *The China Problem.* The Soviets have been generally successful over the past year in isolating China within the Communist world. Chinese miscalculations, Soviet tactics, and a measure of good luck have all played a part in this success, symbolized by the presence at the Soviet Party Congress of almost all Communist parties, despite the Chinese boycott. The Soviets have been willing to contest the Chinese more actively while persisting in pleas for "united" Communist action. They have avoided public polemics, while maintaining the essence of their ideological and political position. This approach has enabled the Soviets to shift much of the blame for continuing the dispute onto Peking.

26. In view of this record, the Soviets will almost certainly continue this general approach. Meanwhile, the Soviets probably have an interest in keeping the door open to China in the event a post-Mao leadership reexamines its increasingly isolated position.

27. *Vietnam.* Both the Chinese and the Soviets have made the Vietnamese war a key issue in their dispute. The future course of the war may prove the decisive test of whether the Soviets can consolidate their gains against the Chinese. At this point, the Soviet leaders themselves probably have no clear idea where the war is leading. In our view, their own preference probably is for a negotiated settlement. At the same time, the contest with China for influence in Hanoi also pushes Moscow in the direction of greater support for the war. But the Soviets clearly appreciate the dangers and risks of confrontation with the US. Thus Soviet policy is truly caught in a dilemma.

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28. In such a situation, there is always the possibility that frustrations, pressures, and unforeseen developments will draw Soviet policy onto a more radical course. The USSR might disengage from its commitment of support, or, more plausibly, it might sharply increase its involvement through employment of new weapons and Soviet personnel or through putting pressures on the US in other areas. While we recognize these possibilities, we think it more likely that the Soviets will continue roughly along present lines, supplying military aid as necessary, but mainly in defensive systems, seeking the while to limit their own risks. They are likely to await new opportunities to exert influence on Hanoi in the direction of settling the war. Though the Soviet position in Hanoi has improved, it is doubtful that the USSR yet has the influence to persuade the DRV to alter its stand. Nor can the Soviets afford independent political initiatives or any semblance of cooperation with the US on the Vietnamese issue.

29. *Relations with the US.* US-Soviet relations will be largely restricted by the Vietnamese war. The Soviets would probably accept a further worsening in relations if dictated by their interests in Hanoi. Even before the USSR's involvement in Vietnam, the Soviet leaders probably had decided that the prospect of restoring their position in the Communist world was well worth some deterioration in relations with the US. But they have also displayed an awareness that this could go too far. We expect that they will try to contain the effects of Vietnam and to maintain contacts and channels for the future, when and if the Vietnamese war is settled.

30. *Europe.* At the Party Congress the Soviets began to lay the groundwork for a more active European policy. Their general view, as expressed by Gromyko, is that the Western bloc is loosening and that contradictions and tensions afford the opportunity for the Soviets to deal independently with each of the Western allies. Now the Soviets seem prepared to test this thesis with direct contacts and, probably, renewed proposals in the realm of European security.

31. The new line will probably be conciliatory largely out of deference to de Gaulle, in the hope of encouraging him to carry out disruptive actions within the Western Alliance. Many well-worn proposals are likely to be reworked to test European reactions: the reduction of armaments and troops in Central Europe, stabilization of European frontiers, prohibition on deployment or transfer of nuclear weapons. As for Germany, Soviet concern that French actions will enhance West Germany's influence in NATO may heighten Moscow's interest in some improvement in relations with the FRG. Thus, despite an intransigent public posture, the USSR will maintain a certain flexibility in its attitude toward Bonn. Because of this desire to exploit and explore the possible consequences of French withdrawal from NATO, the Berlin question is likely to remain quiescent.

32. However, unless the Soviets are prepared to change their German policy, which is highly unlikely, there is not much they can offer to Paris or Bonn.

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Moreover, in our view the Soviets continue to believe that no European settlement can be consummated without the participation of the US, which remains the preferred partner for a dialogue.

33. *Eastern Europe.* Soviet relations with Eastern Europe have settled into a fairly consistent pattern, and the USSR seems to be paying more heed to the views of the Eastern bloc than it did under Khrushchev. The reluctance of Soviet leaders to raise the unsettling question of Stalin at the Party Congress in part probably reflects this change in attitude. This trend toward a more practical working relationship seems likely to continue, though frictions are bound to arise now and then, particularly over the problem of economic relations. The Soviet leaders would like to tighten up the Warsaw Pact organization, but they will probably remain unwilling to take any bold initiative in the face of continuing opposition from a number of countries, particularly Rumania.

34. *Non-Proliferation.* This is another field in which the Soviets have virtually stood still, partly because of Vietnam, but mainly because of their overriding concern with the question of nuclear weapons and Germany. In our view, the Soviets have a growing interest in a non-proliferation agreement; but they are more concerned that Germany acquire no voice in the use of nuclear weapons. Moscow is likely, therefore, to continue its resistance to any agreement that did not foreclose this issue without qualification. As long as the non-proliferation question remains open, the Soviets will probably be reluctant to move on other arms control questions.

35. *The Underdeveloped Countries.* For several years we have characterized Soviet policy toward the "third world" as a vigorous effort to displace Western influence and build up a strong Soviet position. While this has been generally true, there has also been a gradual scaling down of Soviet expectations in general, and a somewhat more selective approach in particular. This has become more evident under the new leadership. Africa seems to receive more perfunctory attention in present Soviet policy, and the USSR has played no role of importance in the Rhodesian crisis. As for Latin America, the Soviets felt compelled to tone down the more militant aspects of the Tri-Continent Conference in Havana.

36. The present Soviet regime seems able to accept setbacks in these areas with fairly good grace, perhaps reflecting a more realistic view that instability in the underdeveloped countries is inevitable. The problem of Algeria illustrates the difficulties for Moscow in evolving a successful policy of dealing with one-party, non-Communist regimes. The Algerian delegation to the Soviet Party Congress walked out because of the presence of Algerian Communists. Yet the Soviets are committed to providing military aid to Algeria, and this has continued despite the removal of Ben Bella and the new Algerian regime's more hostile attitude toward local Communists.

37. *The Middle East and Asia.* A striking feature of Soviet diplomacy last year was the concerted effort to improve Moscow's position along the wide arc

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of countries stretching from Turkey through India and Southeast Asia to Japan. This effort began with an adjustment of the Soviet position on Cyprus and a consequent improvement of relations with Turkey. Foreign aid agreements were completed with Turkey, Iran, and Pakistan, these three countries accounting for 80 percent of new Soviet aid commitments. A great impetus for Soviet policy was provided by the successful mediation of the India-Pakistan dispute at the Tashkent meeting. Despite significant obstacles to improvement of relations with Japan, the USSR has nevertheless made progress, particularly in the economic field. Military aid, particularly in Syria, Iraq, and India, continues to be an important Soviet instrument for improving the USSR's position.

38. Kosygin's scheduled visits manifest an active interest in the UAR, Turkey, and India. The Soviets will continue to try to balance their assistance and support for India with an effort to consolidate their increased influence in Pakistan. The Soviets will be seeking to loosen Turkey's relations with both NATO and CENTO and of Iran's and Pakistan's relations with CENTO. Continued Soviet concern over Laos is evident, and the Laotian King's visit is planned this summer. In short, the Soviets are likely to continue a very active policy in the areas south and east of the USSR, not only to further their anti-China policy but also to strengthen their general position in areas where they probably believe the US is losing ground.

39. In Indonesia the decline of Sukarno and the destruction of the Communist Party raises serious questions for the Soviets. While they are undoubtedly gratified at the Chinese setback, they will not wish the US to establish a predominant position. As a result, they are probably prepared to continue good relations with the Indonesian military and support them with further assistance. Eventually they may work to establish a Communist Party that would look to Moscow for guidance.

The Outlook

40. While many specific policies remain unclear or even undecided, the conduct of the Soviet leaders does suggest the way in which, in a broad sense, they view the world and the USSR's future in it. Their approach is increasingly realistic. They do not act as though they believe that striking gains for Soviet policy or Communist aspirations are available in a host of countries. They do not seize upon every crisis, near or remote, as an opportunity to advance their cause suddenly and dramatically. This is, in our view, something more than just a matter of style. Rather it seems to reflect a growing appreciation of the complexity of the world, the unpredictability of events, and the limits on Soviet ability to direct, or profit from, political change in foreign countries. As a result, the USSR may be able to avoid many mistakes and to operate in a sophisticated and effective fashion in areas where genuine opportunities exist.

41. Fundamental Soviet objectives have not been altered. They are to preserve the security of the USSR, and to work toward the establishment of a Communist world under Soviet domination. Nevertheless, the approach of the

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new leaders extends and deepens the trend which dates from the Cuban missile crisis of 1962. It contrasts sharply with the period which preceded that crisis, when Soviet foreign policy seemed grounded on simpler conceptions and more extravagant expectations. Perhaps the chief significance of Khrushchev's ouster, therefore, is that a political change of the first magnitude inside the country has not reversed—indeed it has confirmed—the Soviet tendency to temper their revolutionary outlook on the world with concerns of national interest and great power status.

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