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MEMORANDUM

NATIONAL SECURITY COUNCIL

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April, 1973

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MEMORANDUM FOR MR. KISSINGER

FROM: William Hyland

MORI/CDF per C03318869

SUBJECT: Will Brezhnev Survive?

Three independent assessments from CIA, State/INR and the American Embassy in Moscow all agree that Brezhnev seems to be in no political danger (Tabs A, B, C). Each assessment is couched guarded language as usual, but the consensus seems to be:

--Brezhnev has far greater resources at his command than his critics and has shored up his position in recent months.

--He has been unusually active in preempting more and more of Kosygin's governmental functions.

--The public deference to his leadership is growing. He was awarded Party Card No. 2 during the current exchange of party cards. He receives more and more personal credit (this can be double-edged of course).

--He seems to be careful to check with his colleagues, and not challenge the principal of collective leadership.

State Dept. review completed

Now for some of the reservations:

--All seem to agree that the Soviet economy, and particularly the next harvest will "complete" Brezhnev's position if he does not show an "average" year.

--He will definitely have to buy grain from the US, even if there is a good spring sowing.

--This will increase his dependence on the capitalists and may strengthen some of his critics.

--In any case, the poor state of the economy has precipitated a debate about future policy; Brezhnev will be in a position of defending a program that is falling apart.

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Nevertheless the Embassy concludes: "There is no serious danger that his power base will be eroded in the coming months unless he is struck by an unlikely constellation of foreign and domestic cases." (They do not speculate on what such a constellation might be.)

We have noted only one non-governmental source that disagrees with this estimate. Robert Conquest interprets events as a leadership crisis.

"The appointment of Dimitry Polyansky as Minister of Agriculture comes at a time when the political struggle has reached an intensity not seen since the defeat of the Shelepin faction in the wake of the Six Day War in 1967." (Tab C)

This judgment reflects Conquest's feeling that the leadership is aging, that they pursue too many compromise policies, that personnel changes reflect increasing factualism -- all aggravated by an economic crisis. He has a low opinion of all the Soviet leaders, which biases his judgment, but he is an extremely shrewd student of Soviet politics.

* * *

Now for some speculation.

1. One could interpret Soviet politics as the very early stages of a succession crisis.

--This is a leadership that is approaching the end of its political life. Clearly, the five most powerful and influential are Brezhnev, Kosygin, Podgorny, Suslov and Kirilenko. Podgorny and Suslov are over 70; Kosygin is 69, Brezhnev and Kirilenko are 67. None are likely successors to Brezhnev. If we arbitrarily limit Brezhnev to age 70 he will be gone before the next Party Congress in 1976.

--In the present politburo of 15 members (with 12 based in Moscow) there are four who have been downgraded under Brezhnev (Shelepin, Shelest, Voronov, and now Polyansky). They are a disparate group, and probably have little in common. But they could be the nucleus of an anti-Brezhnev coalition.

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--Brezhnev has in effect jumped a generation, promoting several men in their forties to key positions: Katushev, the secretary with some foreign affairs responsibilities, and Dolgikh, the secretary in charge of industrial affairs rose rapidly. Kulakov, who is in his fifties was elevated to full politburo membership without even serving an apprenticeship as a candidate member.

--This trend is more evident in the second echelon of party secretaries in the republics. It puts enormous pressure on the politburo members to secure their own position against the new generation. But the age of the top command means that some key replacements have to be made in the next year or two.

2. Brezhnev's economic program is a shambles.

--Since 1965 he has had a personal responsibility and stake in agriculture. His main policy has been to pour in money for mechanization, fertilizers, etc. But one bad harvest has had enormous repercussions.

--The Soviets may have to buy 40 million tons of grain in the next three years. They will use hard currencies or credits, the overall hard currency deficit is forcing them to sell gold -- a policy for which Khrushchev was attacked. And the Soviets have borrowed so much that a high percentage of their exports are mortgaged for years to come.

--Wages are virtually frozen despite promises of steady increases of 4-5 percent.

--Potatoes and butter are being rationed. Meat is abundant because the farmers are slaughtering cattle for lack of fodder which means a meat shortage next year. Economic growth has slowed to about 1.5 percent.

--Key goals of the five year plan will not be met: chemicals, oil, gas and light industries.

--Brezhnev's promise that consumer goods would grow more rapidly than heavy industry, the traditional favorite, has been repudiated in this year's plan. (This is a key political decision given the long history of struggle over the primacy of heavy industry.)

In sum, Brezhnev has consolidated his power on a program of prosperity at home and peace abroad announced in March 1971. On the first count he is very vulnerable.

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It is more difficult to know what the effect of foreign policy is on the leadership. Many top leaders do not have any responsibilities for foreign affairs, and probably simply support Brezhnev. Others, particularly Kosygin, Podgorny and Suslov, share with Brezhnev the power and therefore the responsibility for past policies. Thus they may not be eager at their age to start a foreign policy struggle.

Brezhnev is in a position to claim that his peace program has been successful, but it rests on the German treaty and the May summit. On both counts he was opposed in some degree by Shelest, who was decisively defeated, at a time (the Vietnam blockade) when he could have made a strong case.

It may follow that no coalition is likely to find as favorable circumstances in which to attack Brezhnev. On the other hand, the imminence of the summit may have helped Brezhnev to isolate his opponents.

The major unknown is China. One has the impression that Brezhnev is taking a tougher line in public. This has not been his record and perhaps he is being pressed within the leadership. In any case, he is vulnerable because he cannot demonstrate how his peace program has strengthened Moscow's hand against Peking.

Indeed, one could claim that Soviet prospects in a five power balance are poor:

-- their relations with Japan are complicated by the territorial question, which cannot be conceded without undermining their position on the Sino-Soviet border controversy. Yet, they need Japanese investment and technology.

-- Consolidating their gains in Europe looks better, but there is not going to be any spectacular advance unless Bonn can be split from the EC- or US.

-- Brezhnev is guilty of mortgaging too much of his freedom of action to the US. Not only does he need US grain and technology, but he cannot move in Europe without the US, and the US is scoring heavily in China. The impression is growing that if the USSR does not attack China, it will be because of fear of the consequences with the US -- a very weak image for a Soviet leader that governs a population of 50 percent non-Russians and is trying to discipline an increasingly diverse set of Allies in Eastern Europe.

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One suspects, therefore, that the Soviet leadership situation is more fluid than, say, at the Party Congress in 1971. Brezhnev has probably passed the zenith of his personal power, if only because he is near the end of his career. Maneuvering for the succession will intensify, which means factionalism. Inevitably, this or that foreign policy will become a debating point in factional, ^{struggle} Brezhnev probably has no way to turn but to reinforce his domestic policies and his foreign policies. He becomes more dependent on us, but at the same time more vulnerable because of it.

Questions such as MFN therefore will take on an importance all out of proportion to their value. So will projects such as natural gas. The summit whenever it occurs, will be pivotal for Brezhnev prospects. And perhaps more important, to the degree that Brezhnev tilts toward the US and defers dealing with China, in that degree his opposition must adopt a conservative platform -- which could mean that the successors will be obliged to repudiate Brezhnevism, much as he repudiated Khrushchevism after serving him loyally for 15 years.

This does not mean that we should "save" Brezhnev, but it does mean that we are in a more complicated period than we may realize. We have far greater leverage than he does, assuming the Vietnam ceasefire holds up. The real question is how to use that leverage to ensure that Brezhnev and his successors have no real options but to "coexist" with us and with China.

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
27 February 1973

INTELLIGENCE MEMORANDUM

Implications of the Present Soviet Economic Problems

Summary

Faced with slower economic growth and a commitment to meet rising consumer expectations and having experimented unsuccessfully with economic reform, Moscow has turned to the West to help relieve its economic problems. Soviet dependence on Western food and technology has grown substantially.

The bad Soviet harvest of 1972 brought to a head a growing dependence on the West that the above-average harvests of 1970 and 1971 had disguised. Brezhnev's program for increasing meat production and bettering the national diet has created a demand for grains that cannot be met from domestic production even in a year of good weather. In order to fulfill their long-run goals for meat, the Soviets will have to import a minimum of 40 million tons of grains over the next three fiscal years in addition to the 29 million tons already contracted for in 1972.

At the same time, the USSR is embarked on a program of importing large quantities of advanced equipment and technology from the West. The Soviets badly need the boost such imports can give to their productivity, which has been holding down their economic growth to a disappointing rate. They particularly need Western technology to help develop Siberia's oil and gas resources, now that

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older fields are rapidly becoming exhausted, and to increase and improve production in consumer industries, which are generally in bad shape. They will probably need considerable help making the new facilities work. To pay for these imports the USSR is looking for credits and joint ventures which will produce exportable goods such as oil, gas, and timber.

There is no evidence that defense plans were affected by 1972's dislocations in the civilian sector or that they will be affected by similar dislocations in the future. The production capacity of the USSR is now so large that even a moderate growth of GNP can support reasonable increases in military spending without undue strain.

The USSR can manage its probable trade deficit of \$1.8 billion for 1973 with a combination of credit and gold sales. Any additional purchases of grain in 1973, which will be necessary if the harvest is poor, will create pressures to cut other imports, particularly consumer goods and perhaps Western equipment.

Growing economic dependence is uncongenial to traditional Soviet doctrine. The whole detente policy has been a controversial one, and there are some people, like Shelest, who have opposed it and suffered politically.

Other options, however, are also uncongenial:

- (1) The Soviets could try to achieve greater efficiency and growth through reforms, especially in agriculture--but piecemeal reforms undertaken after 1963 did not work and drastic reforms have been politically unacceptable.
- (2) They could accept a lower growth rate for GNP and consumption--but this would mean slower growth than in most industrial countries, which would lead to a disgruntled populace at home and a damaged image abroad.

In these circumstances, the short run course the present leaders probably will take is to make adjustments where pressed--perhaps some cuts in consumer programs or some agricultural reforms--but to try to maintain the broad outlines of current policies.

Soviet dependence on the West does not equate with Soviet dependence on the US. The most critical need from the US over the next year is likely to be grain. If the Soviets were willing to pay higher prices and tap the markets of smaller exporting countries, the US share of grain purchases could be considerably reduced. If pressed for concessions in other areas in return for US grain, they would be more likely to cultivate other suppliers especially over the long run. In the field of technology the reliance on the West is important and growing, but the dependence on US equipment is relatively small as the USSR's requirements can be met for the most part by Western Europe and Japan.

The USSR does need to expand its hard currency exports to pay for grain and equipment imports, and the US is a promising large new market for Soviet products. If certain large joint US-Soviet projects are not undertaken, this would mean slower growth of export earnings and hence the capacity to import Western technology.

The Soviet leadership has already shown itself ready to increase its economic relations with, and to some extent its dependence on, the US in all these areas. This policy is not without its critics. There is a fear in Moscow that the US, more than other Western trading partners, is prone to link economic dealings with political questions. The Jackson amendment directed at the USSR's Jewish emigration policy is a current case in point. Those still wary of US intentions can argue that it is only good business to develop multiple suppliers, and that the USSR can get most of what it wants elsewhere in the world without the political risks of concentrating upon the US.

Supporters of the present policy can also employ extra-economic arguments. They can maintain that growing economic relations with the US are part

and parcel of a detente approach which has already brought the USSR substantial benefits in such areas as Europe and arms control. They can argue that any resulting dependence will be mutual, with US industrialists and farmers coming to rely on the Soviet market and to lobby on its behalf. They can also point out that it is useful and important to develop these relations as a counter to growing ties between the US and China.

The present leaders will probably consider that the present pace of developing relations does not expose the USSR to undue political risks. A different situation would arise, however, if this year's harvest were another disaster. Should a 20-million ton requirement for grain imports arise, perhaps two thirds of this would have to come from the US. In an emergency of this sort (which the Soviets would try to minimize for tactical reasons), Brezhnev would realize that he was the supplicant and that the US might be looking for something in return. At various points across the range of bilateral relations, he might be willing to meet the US a little more than halfway if Washington in its turn made concessions which would save his face. At the same time, the USSR would move to avoid future vulnerabilities of this sort by arranging larger future imports from such other suppliers as Canada, Australia, and Argentina. Thus the US advantage would be short run in nature.

As a worst case, a disastrous harvest could put Brezhnev in deep political trouble. Much would depend, of course, on how his other policies were faring. One cannot predict how such a harvest would affect Soviet policy toward the US; it might push it forward or lead to a retreat, according to the exigencies of Kremlin politics. If Brezhnev were to fall, we are inclined to think that, after a temporary retreat, his policies would largely survive him. A total withdrawal into a fortress Russia does not seem to be a viable alternative for the Soviets. But if the US had sought to press its advantage in the grain trade, the search for other Western alternatives to US supplies would become even more intense. ?

Introduction

In 1972 Soviet leaders were increasingly pre-occupied with economic matters. By the end of the year, the goals of the Ninth Five-Year Plan were in jeopardy as problems in industry and agriculture forced a number of adjustments in economic policy. From mid-1972 on, the news of a failing harvest was the major concern, and the impending downturn in grain production was responsible for the decision to import unprecedented quantities of Western grain. The drought and its aftermath, however, obscured some of the chronic economic difficulties which have curbed Soviet economic growth since the 1950s.




The Soviet Union's central economic problem is that it has passed out of the phase of its history in which it can rely on "extensive" growth--growth based upon larger and larger increments of labor and fixed capital. Since the 1950s the returns to new investment have been declining steadily. Other countries have grown at high rates without increasing capital stock very rapidly; their growth has been supported by substantial productivity gains. These productivity gains--based mainly on technological progress but also on innovations in organization--have been much less influential in Soviet growth during the past 15 years or so. Since the present Soviet leaders assumed power, they have been trying, but with indifferent success, to spur the growth in productivity by internal reforms and foreign contacts.

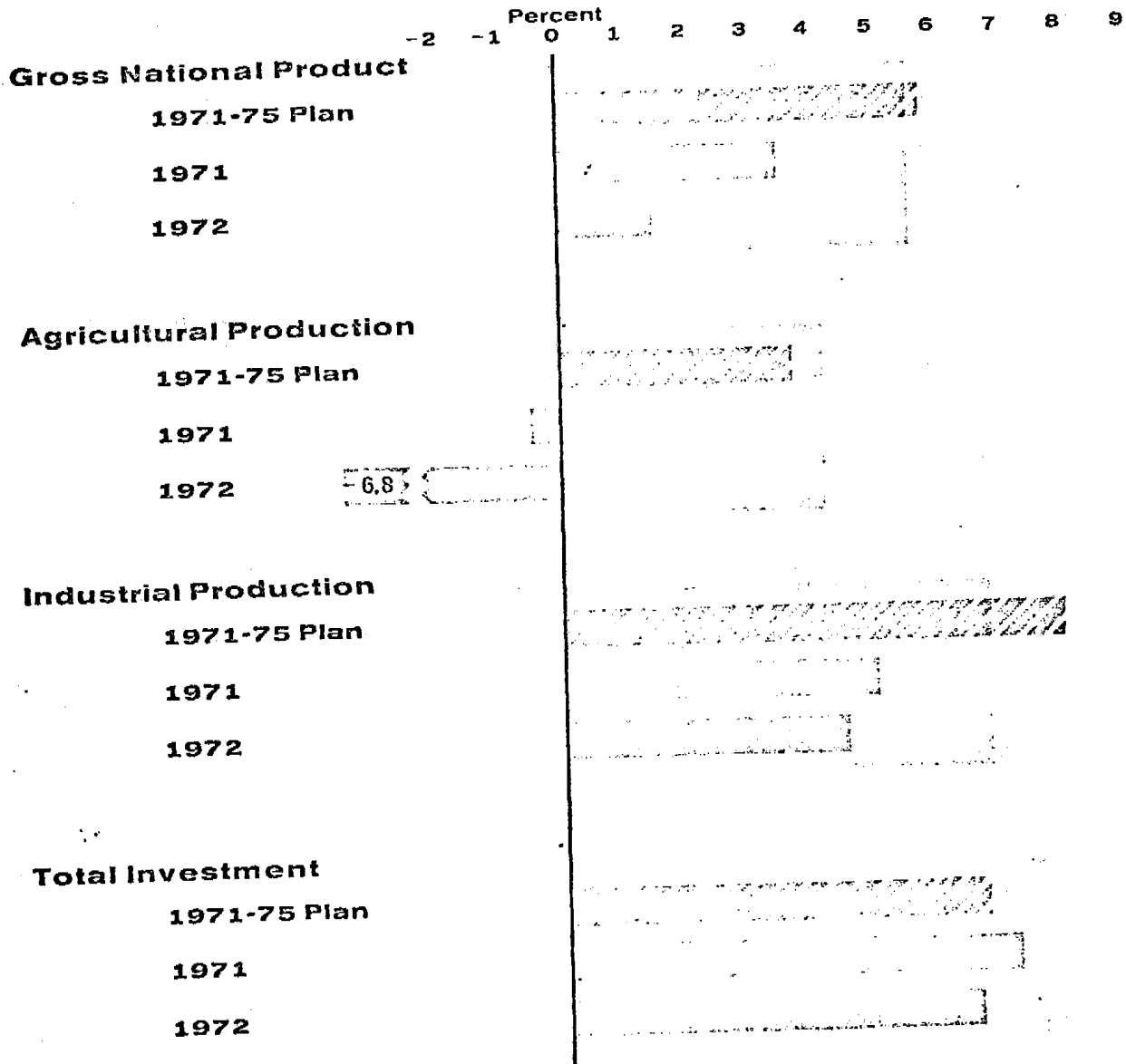
A second, continuing economic problem for the Soviet leaders is the need to improve the lot of the Soviet population. In so doing, they have had to alter the traditional pattern of Soviet economic growth in favor of sectors which are less efficient and more costly to develop. Brezhnev's commitment to expand meat production is the most striking example of the effect of some consumer-oriented programs on economic growth. The demand for meat (and other high quality foods) has been rising at a very high rate as the incomes of the Soviet population have grown. While the growing demand for meat is a world-wide phenomenon, the cost of producing meat is far greater in the USSR than almost

anywhere else. For example, the USSR needs about twice as much grain as the US to produce a given amount of meat, and, at existing retail prices, meat production is heavily subsidized. Moreover, it takes far more grain to feed a population with meat instead of bread, and the USSR has always had difficulty in growing enough grain even for a bread-based diet.

Thus, the USSR must deal with two separate economic problems in the coming year. First, it must overcome the shortages resulting from the bad harvest of 1972--this is the problem which has absorbed much of the leadership's attention since last summer. Second, in the longer term it must make capital and labor more productive in both industry and agriculture. If the USSR cannot accelerate the pace of productivity growth, it will be unable to prevent a continuing slowdown in economic growth.

Selected Indicators of Soviet Economic Performance

-  Actual average annual increase 1966-1970
-  Actual average annual increase
-  Planned average annual increase



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1972--A Disappointing Year

In 1972, a poor harvest and an accumulation of chronic economic problems reduced the rate of growth of Soviet GNP to 1.5 percent--the lowest rate of increase since 1963. This compares with an average annual increase of about 5.5% in 1966-70 and 3.5% in 1971 and must be particularly galling to a leadership whose main shibboleth is economic growth. Almost all sectors shared in the decline, but the drop in farm production and a slower growth in industrial production were most at fault (Figure 1). The slowdown leaves attainment of the goal of overtaking the United States as distant as it was a decade ago when Khrushchev announced it as imminent.

Agriculture--The Leading Trouble Spot

An abrupt decline in farm output was largely responsible for the slump in over-all economic growth in 1972. Net agricultural production dropped almost 7% below the 1971 level, and grain output fell by about 10%. Although Soviet leaders have blamed most of their problems on the weather, it should be noted that 1972 was a poor agricultural year chiefly in comparison with the peak year 1970, a year well-favored by climatic conditions. Even though the percentage decline in crop production was one of the largest in 20 years, the total value of farm output and even grain production were still greater than in all but one of the years of the 1960s. Grain production was only 10 million tons or 7% below the level that would have been predicted on the basis of long-term trends and normal weather.

The drop in agricultural production in 1972 resulted from an unusual streak of poor weather throughout the growing and harvesting season. First, a lack of snow cover combined with extreme cold in late January and February killed almost one third of the area sown to winter grains. These grains usually provide almost one third of total Soviet grain output. The USSR planted a larger than normal area to spring grains to make up for the winter-kill, but the "worst drought in 100 years" curbed their germination and growth in European Russia. Record crops in the "Virgin Lands" of Kazakhstan

and Siberia prevented a complete disaster, but the harvest was late. As a consequence, a good deal of the grain was gathered in rain and snow, reducing its quality.

The grain and potato crops, both of which were down, are the core of the Soviet diet and are also essential to the production of meat, milk, and eggs. But the drought also damaged sugar beets and sunflower seeds, the country's primary source of vegetable oil. In fact, the output of all important crops except cotton fell below the levels achieved in 1966-70. The output of livestock products failed to match the vigorous growth achieved in 1971, largely because of tight feed supplies. There was little slaughtering of livestock, however, such as occurred on a massive scale after the poor harvest of 1963 because of feed shortages. By the end of 1972 the number of cattle exceeded the previous year's level, while the decline in hogs, sheep, and goats was held to reasonable proportions.

What made the drop in grain production so critical was that it came at the same time that the demand for grain as livestock feed was increasing rapidly. Use of grain for food has hardly changed for over a decade, but the use of grain as livestock feed increased by roughly 40% between 1968 and 1971 as a result of Brezhnev's 1965 program to provide more meat and other quality foods. By 1969-70, production of grain was not keeping up with demand because of the requirements of the Brezhnev program. Since imports were low in these years, there were deep inroads into the government's reserve grain stocks. In 1969-70, about nine million tons of wheat were released from these stocks for livestock feed, probably reducing them to a dangerously low level.

Thus, the fall in grain output in 1972 left the regime only two choices--to cut deeply into Brezhnev's meat program or to import large amounts of grain from the West. The decision to do the latter clearly shows the high priority the present Soviet leadership gives to improving consumer welfare. The USSR spent roughly \$700 million in hard currency to purchase large quantities of grain, sugar, and meat in 1971 and early 1972. Even before the full extent of the damage to last year's grain

crop became apparent, the USSR bought \$250 million worth of wheat from Canada and promised to buy at least \$750 million of US grain over a three-year period (and at least \$200 million in the first year).

All told, their purchases of grain for delivery by mid-1973 reached about 29 million tons, worth about \$2 billion in hard currency. This amount is equivalent to roughly two thirds of total Soviet imports from the Developed West in 1971.

Industry and Construction Lag Too

While feeling the repercussions of the harvest, the industrial sector was having problems of its own last year. Continuing a slump begun in 1971, industrial output grew by no more than 4.5% in 1972-- the smallest annual increase since World War II. Although a number of industries slowed, the largest slowdown was in the production of machinery and consumer goods. The oil industry did not meet its production goal for the first time since the early 1950s, largely because of an unexpectedly rapid depletion of older fields. The gas industry's production increase last year was the smallest since 1959, and some pipeline construction tasks were not completed on schedule.

The USSR's agricultural situation hurt industry by reducing the flow of some raw materials and by diverting resources away from industry. Industry in 1972 was already on short rations with respect to sugar beets, sunflower seeds, milk, and wool as a consequence of the stagnation or decline of 1971 production. In addition, the above-normal manpower and transportation requirements of the 1972 planting and harvest periods probably held down industrial activity. More industrial workers than usual were detailed to support the farm work, and industrial supply must have been interrupted by the roundup of trucks for agricultural work and especially by the heavy load that the grain harvest in the east and the grain imports put on port facilities and the rail system.

Industrial growth was also held back by the failure to increase productivity and to introduce new plant and equipment on schedule in key sectors.

The plans for 1971-72 explicitly called for an acceleration in productivity growth through the introduction of new technology rather than by raising the rate of investment. These plans were not realized; gains in the productivity of labor and capital in both 1971 and 1972 amounted to about 0.5% per year, considerably less than those required to keep industrial production in line with the five-year plan goals. The productivity plans were frustrated for the usual organizational and political reasons: inefficient management practices, a cumbersome planning system, and the overriding priority given to increasing the quantity of production as quickly as possible to the detriment of efficiency and quality. Introduction of new technology--the key to increased productivity--has been slow.

The construction lag in 1971-72 was not the result of a failure to provide enough investment; almost one third of the nation's gross national product goes toward this end. The problem lies rather in a failure to complete investment projects on time. New projects readied for use in 1972 fell 5.7 billion rubles short of the planned 93.1 billion rubles, adding another 6% to the backlog of unfinished construction (10.3% had been added the previous year). As a result, the growth in new plant and equipment dropped to about 6% in 1972 compared with an annual average increase of 8% in 1966-71.

In recent months both Premier Kosygin and State Planning Chief Baybakov have publicly denounced this investment logjam. In his annual speech to the Supreme Soviet last December, Baybakov complained of the "lag in the commissioning of production capacities, especially in ferrous metallurgy, chemicals, oil, gas, and light industries..." Earlier, in a speech to the State Planning apparatus, Kosygin called for a halt to "unwarranted capital investment" and charged that too many new projects were begun without fully using existing facilities. Although construction lags seem endemic in a "planned" economy, the tendency to start too many projects may have been worsened by the economic reform of 1965 which allowed more investment decisions at the local level at the expense of central control. Decentralized investment

grew at an average annual rate of almost 13% in 1966-70, diverting resources away from centrally planned projects and causing "unbalanced capital development." In an effort to regain greater central control, the growth in decentralized investment was cut to 8.2% in 1971 and 2.2% in 1972. Nevertheless, the response in terms of project completions has been unsatisfactory. The construction sector was not entirely to blame, however. Project completions in some industries--especially in the light, food, and ferrous metals industries--were delayed by the failure of industry to provide the necessary equipment on time.

The Consumer Suffers

Last year must have been disappointing to the Soviet consumer who has been consistently told since 1971 that his welfare is now the prime concern of the state. It was small comfort that the leadership took unusual measures to insulate him from the poor harvest or that the traditionally favored growth-oriented sectors also suffered. He was only aware that his rising expectations had not been met.

In 1972 per capita consumption rose by 3% compared with about 5% per year in the preceding six years. The poor harvest held back food consumption, but no one went hungry. There were sporadic food shortages, but the massive grain purchases from the West and imports of potatoes and some vegetables from Poland and East Germany eased the situation. The government also maneuvered to extract as much farm produce as possible from the private sector. At the same time, the Soviet press launched a nationwide campaign to save bread, and food sales were rationed selectively. It also became apparent that the welfare package introduced at the 24th Party Congress in 1971 was not being implemented on schedule. Plans to raise minimum wages and to cut income taxes have been delayed, and some of the more "expensive" features of the package may have even been shelved.

ECONOMIC IMPACT

Internal Economic Policy in 1973

As the Soviet planners watched the discouraging events of 1972 unfold, they had to decide on the adjustments to make in 1973. The Ninth Five Year Plan had placed unusual emphasis on bettering the lot of the consumer--that is, consumption and consumer-related sectors such as agriculture seemed to be on a more equal footing with heavy industry and investment. Over-all growth was to be maintained by rapid assimilation of new technology and the consequent productivity gains rather than by accelerating growth of capital stock.

The plan for 1973, announced last December, revealed that the leadership had decided to retain the original five-year plan targets and basic priorities while making major revisions in the 1973 goals. The revisions were intended to rectify past errors and get the economy back on track, although this would mean a temporary distortion in sectoral growth rates. This year's GNP growth target is about 7%, in sharp contrast to the 1.5% achieved last year. The planned recovery depends mainly on a 12.6% increase in farm output and an accelerated industrial growth rate of 6.7%. Goals for oil and gas, chemicals, and some consumer and machinery items were cut in recognition of raw material shortages or lags in the expansion of production capacity.

The new plan is specifically designed to deal with the knotty investment problem. First, it calls for a stringent limit on new construction starts. Investment resources are to be concentrated on projects which are already under way and on those "which are decisive to the fulfillment of the Five-Year Plan." To this end, the growth in total investment in 1973 is to be held to 3.5% compared with the nearly 9% implied in the original plan. Secondly, more investment resources will be allocated to the parts of the economy in which projects are most behind schedule. Consumer-oriented sectors such as the processed food and light industries and agriculture will receive an increased share of investment allocations.

Thus, policy statements and investment targets indicate that there will be a continued emphasis on improving living standards. The expected shortages of agricultural raw materials and the construction delays which have restricted the production of consumer goods, however, will force a temporary retreat in the consumer program. In particular, meat production is not scheduled to increase appreciably in 1973. The volume of retail trade is slated to increase by 5% in 1973, compared with 7% in 1972. This slowdown in turn forces a change in income policy. In order to avoid further inflationary pressures, wage increases are hopefully to be held to about half the rate achieved last year.

There is no evidence that defense plans were affected by 1972's dislocations in the civilian sector. The military has always been favored and largely protected from short-run fluctuations in output. Moreover, the production capacity of the Soviet Union is now so large that even a moderate growth of GNP can support reasonable increases in military spending without undue strain. The announced 1973 defense budget of 17.9 billion rubles is unchanged for the fourth year in a row, but this figure does not include a number of allocations normally associated with defense. The most significant exclusion is military research and development, which is funded principally from the science allocation. Soviet science outlays in 1973 are scheduled to be 7% greater than last year. It is estimated that total Soviet defense spending in 1973 will be about 3% higher than in 1972 and will amount to the equivalent of about \$82 billion.

Last year's difficulties in the farm sector severely tested the leadership's dedication to its expensive livestock program, but recent policy statements and the new plan goals indicate that they will continue the campaign at least through 1973. The poor harvest last year, however, makes it practically impossible to fulfill even the modest program for the livestock feed base outlined in the 1971-75 plan. With average weather, they would still have to import a minimum of 40 million tons of grain imports over the next three fiscal years to meet the long-term livestock and meat goals. A number of

prominent Soviet trade and agricultural officials have recently admitted to US visitors that the USSR will require long-term food and feed grain imports from the United States "even if we have good harvests."

Meanwhile, the 1973 grain crop is off to a poor start. Last fall, the area sown to winter grains was one-fifth less than planned because of excessively dry soil. Very little snow has fallen this winter in the major winter grain areas, and as of the first week in February there was insufficient snow cover to protect the seedlings from the low temperatures. It is likely, therefore, that the winter grains have already suffered an above-normal amount of winterkill. To recoup winter losses and make up for the shortfall in fall-sown area the Soviets must sow more than 100 million hectares to grains this spring--a record. If they fail to meet the spring seeding schedule and encounter only average growing conditions, the chances are slim for a big increase in production above last year's disappointing harvest of 134 million tons of usable grain.

The Effect of Another Bad Harvest

If a grain crop of 140 million tons or less is harvested in 1973 (as opposed to a "normal" crop of 150 million tons), the leadership will have to make some disagreeable decisions. With a crop of 140 million tons, they could decide to support the meat program again with total imports of grain that could run as high as 20 million tons. At the higher world prices now prevailing, the total cost of importing grain on such a scale in FY 1974 would equal the cost of the purchases made for delivery in FY 1973 (about \$2 billion). It is quite possible that the Soviet leaders would not be willing to make this expenditure. With a short crop, however, a failure to import sufficient quantities of grain would mean that livestock would have to be slaughtered--ensuring serious meat shortages in the following years. As the meat queues lengthened, the leadership would have to decide whether formal rationing should be substituted for the hit-and-miss allocations resulting from the queues. Alternatively, they could raise meat prices to avoid the administrative costs

of rationing or the unfairness of a first-come first-serve system of distributing the available supply of meat. In deciding how much grain to buy in the event of a poor harvest, the leadership would have clearly in mind the civil unrest that accompanied Khrushchev's decision to raise meat prices in 1962 and the part that meat supplies and prices had to play in Gomulka's fall from power in Poland in 1970. Very probably, they would not abandon the meat program completely; rather, they would reluctantly accept a lower rate of growth in meat production.

Foreign Trade and Payments Policy in 1973

One of the consequences of the bad harvest is a considerable increase in the USSR's dependence on the West for food supplies as well as advanced equipment and for credit to finance the purchases. As a result of the massive grain purchases the Soviets will have a record hard currency trade deficit of about \$1.8 billion in 1973 compared with an estimated \$600 million in 1972. (After the 1963 harvest disaster, the 1964 deficit was only \$533 million). Besides the \$1.6 billion represented by contracts already concluded for grain to be delivered in 1973, the gap between earnings and outlays of hard currency will be affected by large imports of sugar, record acquisitions of Western plant and equipment, and possible new grain purchases in the last half of 1973 (assumed to be about six million tons worth about \$500 million).

As in 1972, the 1973 hard currency deficit will be financed by a combination of gold sales, credits, and trade adjustments. Up to 200 tons of gold worth \$400 million could probably be sold in 1973 without depressing its price below the average 1972 level. Sales of this magnitude would be about equal to annual production (net of consumption) and would leave Soviet gold reserves unchanged at about 1,600 tons. The major source of financing, however, will be credits, and ample amounts are available throughout the West. The European money market has a surplus of funds for short- and medium-term borrowers. Moscow's Western-based banks also can attract considerable funds at prime rates. In negotiating to buy grain in the US, the Soviet Union will surely

continue to ask for more favorable credit arrangements than have been offered thus far. The United States has emerged as an important creditor in 1972 and 1973, extending about \$500 million of Commodity Credit Corporation funds, and US and Japanese banks and financial houses are exploring ways in which they can increase their roles in financing Soviet trade.

The Soviets have tried to prevent the hard currency deficit from interfering with their plans to import Western equipment and technology. There was no clear evidence of a cutback in 1972. In the second half of the year, the volume of new orders declined somewhat from the very high level recorded in the first six months, but large orders for such equipment continue to be signed. Some of the orders involve long-term and self-liquidating credits (repayment in kind) and do not bring immediate pressures to pay. The proposed US-Soviet LNG project and the Japanese-Soviet projects for developing natural gas and oil deposits are examples of exchanges that have no necessary impact on hard currency reserves. The grain purchases put pressure mainly on the USSR's short-term payments position. In 1973, however, as short-term indebtedness increases, it will become increasingly difficult for Moscow to avoid some import cuts. Although the USSR could finance the entire likely deficit, and perhaps more, solely with gold sales and credit, it will probably also make some adjustments in its trade. Imports of consumer goods and other items that are paid in cash are likely candidates for trimming. If the harvest is bad and massive additional grain imports are necessary, cuts in other imports are certain.

In any case, even given average weather agricultural imports will continue to be a major balance-of-payments burden. The indicated grain import requirement might be about 12 million tons a year (worth more than \$1 billion), assuming a continued priority for the original Brezhnev livestock program. The prospect of continued imports of grain of such a magnitude may well occasion a re-examination of the long-run wisdom of the meat and consumption programs associated with Brezhnev's leadership.

Longer-term Economic Outlook

Soviet economic growth should turn upward in 1973 because farm output will recover--unless another streak of bad weather intervenes. If average weather prevails over the next few years, GNP should grow by 5% to 6% per year. Even so, the average rate of growth in the first half of the 1970s--perhaps 4 to 5% per year--would be significantly lower than it was in 1966-70. This is about average for an industrial nation, but unimpressive considering the USSR's comparative economic backwardness and the effort it is making. The USSR almost surely would have to abandon many of the agricultural goals and some of the important industrial goals set out in the 1971-75 plan.

In the longer term, the USSR will be hard pressed to sustain a rate of growth as high as 5% per year. The rate of growth of the labor force has slowed and a growing share of all workers is to be employed in the service sector. At the same time, technological progress has not been rapid enough to offset the declining returns to net investment, and there is no evidence that the Soviet Union is finding or will soon find a solution to this problem.

In both industry and agriculture low productivity is caused by organizational factors which discourage efficiency and inhibit the introduction of new products and methods of work. Upon assuming power, the present leadership probably believed that managerial reforms could bring about larger and continuing productivity gains. Then, their attempts to introduce reforms after 1965 were frustrated by the defects of the reform proposals, the opposition of the economic bureaucracy, and the fear of decentralization as a threat to party control. Some careful experimentation with new managerial methods has continued, such as the application of computers to planning, but political controls have prevented public discussion of any comprehensive reform programs relevant to solving economic ills in the near term.

As the interest in internal reform dwindled, the interest in economic ties with the Industrial West increased. The Soviet leaders believe that the shortcut to technological progress and accelerated growth in productivity lies in importing western machinery and technology while promoting other technical exchanges. If carried on consistently over a long period of time this policy will upgrade Soviet economic performance, particularly in terms of the quality of production. Indeed, the most dynamic sectors have depended crucially on imports from the West--for example, chemicals and motor vehicles. Still, the imports will not result in a marked increase in the rate of growth of GNP over the next several years because the contribution of western machinery to total investment is relatively small and limited by the USSR's ability to secure a growing volume of long-term credits. In addition, western technology is not always easy for the Soviet managerial system to assimilate.

Many industrialized countries would welcome a steady growth of national product amounting to 4% to 5% per year, but the Soviet Union would find it hard to abandon the idea that the socialist model provides more rapid development than the arrangements of other industrial nations. In the face of falling growth rates, some officials might be tempted to rely on a higher rate of investment. In the recent past, however, this policy has not been successful in boosting growth. While some proponents of industrial growth probably feel that the agricultural investment program, for example, has been too expensive, a radical shift in priorities away from agriculture or the production of industrial consumer goods would be risky from an economic standpoint. The cooperation and productivity of the labor force depend on continued progress in living standards, especially steady improvement in the diet. On the other hand, the effort to maintain planned rates of growth in consumption clearly will involve increasing dependence on the West, and in particular the United States, for grain.

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Soviet Dependence on the US

Soviet dependence on the US is considerably less than its dependence on the West in general. The most critical need over the next year is likely to be for grain. The larger the grain requirement the larger the share that would probably have to come from the US. If the requirement were around 12 million tons, about half would have to come from the US; if it were 20 million tons, perhaps two thirds would have to come from the US. If the Soviets were willing to pay significantly higher prices and tap the markets of smaller exporting countries the US share of grain purchases could be considerably reduced. Particularly, over the longer term, the Soviets could encourage substantially higher production in Canada, Argentina, Australia, etc. with the help of long term contracts. To the extent that the Russians were pressed for concessions in other areas in return for the purchase of US grain, they would be the more likely to cultivate other suppliers.

The reliance of the USSR on the West for advanced equipment and technology is very important and growing. However, the dependence on US equipment is relatively small. By far the largest part of USSR requirements for production equipment can be met by Western Europe and Japan, often at lower prices and with comparable quality. In a few important cases the US enjoys a substantial technological lead: for example, oil production and exploration equipment, advanced integrated circuits, high capacity data processing equipment, and a few specialized types of equipment for truck production. In these cases the USSR would prefer to buy from the US, but the demands are postponable.

Other than as a source of grain, the most important potential role of the US in Soviet eyes is as a market for raw materials and a supplier of credit, equipment, and technology to develop them. The USSR badly needs to expand its hard currency exports to pay for grain and equipment imports. The joint ventures to develop Siberian gas offer the best hope of dollar exports over the long run. Barter arrangements--for example, nickel for machinery--might also become important. There are

other Western markets for these Soviet materials-- notably Japan--and other sources of credit and technology. But if joint US-Soviet projects are not undertaken, expansion of Soviet hard currency exports will almost certainly be considerably delayed. In the long-term this would mean a substantially slower growth of export earnings and hence the capacity to import Western technology.

Thus the principal areas of Soviet economic dependence on the US can develop only in the long term, and will then also involve a growing US economic dependence on the USSR. Substantial US-Soviet economic links will increase the Soviet investment in good political relations with the US; at the same time, their development requires that reasonably good relations be maintained for many years. Although the US bargaining position is currently strengthened by the large Soviet dependence on US grain, this major US advantage may not continue beyond the next year or so and its value as a bargaining tool is, therefore, limited.

The Political Outlook

Fundamental weaknesses in the performance of the Soviet economy guarantee that, even with an average harvest in 1973, the leadership will face difficult questions concerning several inter-related issues: the goals for economic growth, adherence to the agricultural and consumer programs, managerial reform, and economic dependence on the West and more particularly on the US. Even with normal harvests, the future needs for foreign grain that will be necessary to support present programs should become even more apparent to the leadership by this summer and the chronic nature of the problem will focus attention on the wisdom or practicality of basic policies.

The situation can only complicate Brezhnev's political life. This is all the more so because he has so strongly advocated the agricultural and consumer programs that are now beset by difficulties. For example, although Brezhnev at the Party Congress justified at length the new policy of consumer goods production growing faster than producer goods under the five-year plan, it appears that this in fact will not occur.

There has been political fallout from the poor harvest. Polyansky was demoted from first deputy premier to minister of agriculture and the incumbent minister, Matskevich was removed. Brezhnev has far greater political resources at his command than do his critics and he seems to have shored up his position for the time being through his successful harvest-boosting trip to the Virgin Lands and Central Asia last fall and through Polyansky's demotion. Nevertheless, Polyansky's demotion means the slippage of a once staunch ally of Brezhnev's. Moreover, it leaves an opening for first deputy premier to be fought over.

The situation favors a revival of public discussion of some policy issues. Polyansky's move could encourage greater efforts to pare down the large agricultural investments he has championed and to press for administrative reforms he has fought. Advocates of some current experiment and reforms in managing the industrial economy will become more active, and institutional reorganization, a traditional panacea in Soviet eyes, will attract more attention.

As the Soviet leaders realize how their dependence on the West for grains and technology is growing and promises to grow in the future, they will face two particular questions on the wisdom or acceptability of the dependence itself. They must consider how much to rely on US sources. They must also contemplate whether they will be pressed to pay for such reliance with political concessions and, if so, how they should respond.

One group will find dependence in general distasteful and reliance on the US especially so. As late as 1968 Brezhnev himself spoke in public for this group, arguing against over-reliance on Western technology. The continued strength of this dogmatic school of thought, which Brezhnev has since abandoned in foreign relations, is shown by the rigidity that has been maintained concerning internal policies and controls even as detente has developed abroad. Officials of this frame of mind

will argue against reliance on US supplies and will cite the opportunity this will provide the US for demanding political concessions--for example, the Jackson amendment. They might also argue that it makes good commercial sense to bargain multiple suppliers off against each other and that in any event their needs could be met by Western Europe and Japan.

The majority of the current leadership, while sharing these concerns, believe that in economic terms the US is the best source of certain supplies wanted by the Soviet Union. Improved economic relations with the US is popular among many Soviet bureaucrats and citizens. Some leaders will argue that the dependence will be mutual since US farmers and manufacturers are greedy for markets and can present their case to the US Administration. The intense interest shown by Brezhnev, Kosygin, and other top leaders in the LNG deal is motivated in part by an assumption that this kind of agreement will increase mutual dependency. These leaders will also maintain that concentrating on the development of US-Soviet economic relations furthers their political interests vis-a-vis the US and acts as a counterweight to growing relations between the US and China.

Although many economic questions may be up for debate, an agricultural year that is no worse than average will make it easier for the top leaders to maintain ultimate control over the issues and maneuvering and thus to protect their own positions. Changes, in this case, would more likely be confined to leaders of secondary or tertiary rank and to economic measures of largely internal significance. As unwelcome as lower growth rates and economic dependence on the West, and the US in particular, might be, Brezhnev and the leadership as it now stands would be loath to abandon the agricultural and consumer programs entirely, considering the consequences this would have on their own political credibility, popular morale, and internal controls. Given an average agricultural year, they will probably opt for making compromises in their economic goals where necessary but retaining at least the general direction of present policies.

This outcome would have a double meaning in foreign affairs. Lackluster economic performance should further encourage Brezhnev and other leaders to seek "successes" in the conduct of detente policies abroad and to cultivate economic relations with the West that promise help in relieving domestic deficiencies. In particular the Soviet leaders will probably continue to turn to the US to supply a growing number of economic needs. On the other hand, serious setbacks in foreign affairs, particularly in relations with the West, would be all the more painful to Brezhnev, especially as they could further call into question the whole complex of inter-related programs he has pursued.

Specifically how might economic reliance on the US affect Soviet behavior? The most likely consequence would be to encourage restraint in the conduct of foreign affairs that touch the US. Thus, considering the state of US-Soviet relations, there are some things that the Soviets might simply choose not to do, for example, taking a provocative stance in support of some allies such as North Vietnam or Cuba.

While growing reliance on trade with the US will increase Soviet motives for being conciliatory on other issues between the two countries, it is very unlikely that this will lead them to make major concession in other areas. Economic interest has been a motive throughout in the Soviet pursuit of detente. It has been difficult to distinguish, however, the effect of this interest on Soviet diplomacy from the effect of other principal motives, such as their goals in Europe, their distrust of China or the political play in Moscow. This will continue to obtain even if the economic factor grows somewhat. Moreover, the Soviet leaders will resist, as they have in the past, discussing linkage between economic relations and specific points at issue in other areas. They will do this not only to avoid a poor bargaining stance but also because they will be wary of those political forces at home who are distrustful of detente and especially of this kind of vulnerability. Finally, the Soviet leaders would probably conclude that important political concessions to the US are unnecessary for economic reasons.

since they can obtain most of their import needs from Western Europe and Japan, and that US domestic agricultural and industrial interests are anxious to expand their goals in the Soviet market.

Nevertheless, Soviet eagerness for expanded economic relations with the US will probably continue to make the leadership willing to accede to some modification of policy when circumstances create a direct linkage to economic questions--for example, the Jackson amendment. The modification of the laws on the education tax for emigrants last year illustrates the type of concession and the general range of flexibility that may be expected in the future. Likewise, major advances in US-Soviet economic cooperation would increase the pressure from the US to enlarge the scope and freedom permitted businessmen operating in the Soviet Union, and some give would be likely from the Soviet side on this matter.

Worst Case

In case of a bad harvest, however, the magnitude of the economic problems and the politically unsatisfactory nature of any of the possible measures for dealing with them would clearly exacerbate tensions within the leadership. Regarding the populace, the relative austerity that would obtain for a second year in a row would cause a sag in morale and perhaps even some instances of public unrest. As a result, among the political elite, interest in new policy courses and even new faces at the top would rise.

This kind of internal situation would naturally affect the conduct of Soviet foreign affairs. A loss of self-confidence in dealing with the West would tend to deter the Soviets from making new agreements, although, for lack of a viable alternative, large imports of Western grain and machinery would continue. A strong challenge to the present leadership might for a time freeze Soviet policy in its present course, rendering it incapable of taking new initiatives or responding flexibly until domestic politics were sorted out.

Although their economic needs from abroad and particularly the US would mushroom, the Soviet leadership would probably not be in a position to act on them in any comprehensive way, much less to agree to important diplomatic concessions in this connection. If in fact a political crisis of this sort arose and then was resolved, the eventual implications for foreign policy--a reconfirmation of the detente line or a retreat from it--would depend on who won. In this connection, the objective need for fuller economic relations with the West would be a powerful though not necessarily decisive argument on the side of those defending the present line.

Memorandum

TO : NSC - Mr. Sonnenfeldt

DATE: January 22, 1973

FROM : INR/RES - Kenneth A. Kerst *PK*

SUBJECT: Brezhnev's Power Position Since the May Summit

Since the May Summit, Brezhnev's track record has been mixed. If the Soviet Union were a truly parliamentary power, his illness last fall combined with several policy setbacks could have generated no-confidence votes and it is conceivable that one may have carried. However, available evidence suggests that Brezhnev has further enhanced his primacy in the wake of the Summit. To be sure, this makes him more responsible for policy failures as well as successes and thus presumably more vulnerable to criticism, but his performance indicates that he is an extremely difficult man to back into a corner. Thus, we conclude that, barring major policy reversals undeniably attributable to him, Brezhnev will remain as *primus inter pares* at least for the immediate future. We suspect, however, that as a careful politician, he will take more than usual care to assure that he has the concurrence of his colleagues in future moves.

Brezhnev's Health: A Major Question Mark

Last fall, Brezhnev was unable to exercise fully his responsibilities for virtually two months because of ill health. The exact nature of his illness remains unknown. Moscow sources have passed the word that his loss of weight and difficulty in climbing stairs so visible at the November Revolution ceremonies, which were delayed several minutes until he arrived, were due to lumbar problems. The latest analysis based on close observation points to a hernia operation which was possibly followed by pneumonia. Judging from reports from the January 11-12 Franco-Soviet Summit in Minsk, however, he appears to have recovered fully.

Brezhnev's illness was never mentioned in the Soviet press. In fact, while he was absent, the usual status indicators -- pictures, citations in speeches, mentions in editorials -- remained at a high level, suggesting that his colleagues, rather than acting like a pack of jackals intent upon bringing the wounded down, were instead more concerned with preserving his image as the leader.

Economic Shortfalls: Impact on Brezhnev

The extremely poor agricultural year and the failure to achieve unrealistically high productivity gains in industry resulted in the

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lowest growth rate of national income since World War II and forced a major change in next year's plans. In the production area, the much-touted consumer program launched by Brezhnev over the explicit criticism of Shelest and Masharov has once again been relegated to second place behind heavy industry. Investment goals are being sharply curtailed except for agriculture, especially in land amelioration which is a long-time Brezhnev favorite, and, surprisingly, in consumer-associated industries, which remain at their original rates. Explicit defense expenditures, another Brezhnev area of specialization, are scheduled to remain at the current level, and the sharp increase in absolute terms in the "science" budget indicates that overall expenditures will rise, especially for research and development. Planned increases in the retail trade plan were reduced, and the public was told that food and consumer goods will be available during 1973 only "in the main."

Even though the economy is not in a recession, much less a depression, the Soviets are being forced to retrench, and the political ramifications could be far greater than the statistics alone would suggest. Thus far, however, what criticism has been voiced has been directed against planning and management officials, not the Party. The Party itself has been resorting to such hoary standbys as calls for heightened labor discipline and more socialist competition. Brezhnev, moreover, has been publicly praised for the results of his barnstorming during the Virgin Lands harvest. He could cite with some justification the successes obtained by his detente policy, which enabled the Soviet Union to import massive amounts of grain from the US.

In sum, while the economic shortfalls can scarcely redound to any leader's credit, political fallout to date has been minimal and Brezhnev-associated programs have fared well. It is clear, on the other hand, that he and his colleagues are probably suffering some diminution of self-confidence as well as considerable chagrin over the shadow that these economic problems cast on their touted image of the Soviet Union as an "equal" superpower with the US.

Foreign Policy Pluses and Minuses

Despite some setbacks in international affairs, Soviet foreign political achievements are a plus for Brezhnev and a factor strengthening his position. The most intractable and worrisome problem for Moscow now undoubtedly is China, and Brezhnev recently resorted to the most lengthy public critique of Peking made by any Soviet leader since Khrushchev's day.

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But this is an inherited problem, not of his making; and the China issue, because of its intractability, magnitude, and the sensitive chords it strikes in Russian nationalistic feeling, is probably more of a unifying than a divisive force in the Soviet leadership.

The setback represented by Sadat's expulsion of Soviet military personnel from Egypt, rather than a crisis for the regime, was more in the nature of an injury to pride and a public humiliation that can be lived down in time. That is just what the Soviets appear to be doing. Of course, there will probably be other disappointments for Moscow in the volatile Middle East, but the Soviets evidently calculate that adversities are the worthwhile price to be paid for playing a great power role in that key area. There are presently no signs of leadership differences over Soviet Middle East policy.

The Soviet foreign political achievement that overshadows these problems is the 24th Congress' "peace program," or more specifically, detente policies in the West, with which Brezhnev has become closely identified. In Moscow's calculation, it is achieving long-sought objectives in Europe, and a modus vivendi with the US. In the process the Soviet leadership is assuring for the Russian state probably the greatest degree of security that it has ever known, and the lessened possibility of international conflict involving the Soviet Union is an accomplishment that will be welcomed in the Party hierarchy as well as by the citizenry.

Of course, Moscow is paying a price for these achievements: in resources expended in attainment of superpower status, and in sacrifice of revolutionary zeal to make the necessary accommodations to achieve its objectives in the West. The latter course, in particular, has aroused some questioning on the part of the politically alert part of the population. Yet there is little evidence that the Brezhnev leadership is facing a significant domestic challenge on this issue. More importantly, in seeking improved relations with the West the Brezhnev leadership is accommodating to political and economic imperatives of the day, and this alone places Brezhnev in a sound position at home to the extent that foreign policy is a factor in the stability of his leadership.

Leadership Maneuvering: A Brezhnev Plus but Questions Remain

Changes of assignment within the leadership taken during and after the Moscow Summit, where identifiable, clearly are manifestations of Brezhnev's political clout. Shelest now joins the already-demoted Voronov

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and Shelepin, who puzzlingly remain in the Politburo. Ponomarev was elevated to candidate membership while Mzhavanadze was dropped. And a newcomer to the Moscow political scene appeared when industrial specialist Dolgikh was named a Central Committee secretary.

Shelest. Bounced during the Moscow Summit in circumstances which suggested that he was opposed to its convocation, Shelest was named one of nine deputy premiers, evidently with responsibility for transportation and energy. His successor as Ukrainian Party chief was a long-time Brezhnev associate, V. V. Shcherbitskiy, who has shaken up the local Party apparatus but apparently does not hold exclusive sway over Ukrainian affairs. Shcherbitskiy has rapidly moved against manifestations of Ukrainian particularism, such as a relative tolerance of nationalistic dissent and economic localism, which strongly indicates that they were among the policy differences with Brezhnev which led to Shelest's ouster. On the other hand, Shcherbitskiy's Dnepropetrovsk clique has had to share the spoils with the established Kharkov grouping, whose foremost graduate is Podgorny.

Ponomarev. The elevation of Party Secretary Ponomarev to candidate Politburo member would appear to reflect the influence of the 70-year old Suslov in his role as foreign policy specialist. Long responsible in the Secretariat for relations with non-ruling Parties, Ponomarev has been somewhat more active lately in treating with visiting government officials from non-socialist countries. At 67, however, his promotion may be more in the nature of a reward for services performed than a harbinger of a greater voice in leadership deliberations.

Mzhavanadze. The removal of Mzhavanadze, who was not believed to be close to Brezhnev, seems to have been due to the unusual combination of his age, 70, the poor economic performance of Georgia, and the high rate of official corruption which is now being exposed. His successor, a young ex-MVD minister, has spoken warmly of Brezhnev and rose to local prominence after Brezhnev's close friend, Shchelokov, took over the USSR MVD.

Dolgikh. As Party Secretary in charge of heavy industry, Dolgikh fills the vacancy created in 1971 when Solomentsev was named RSFSR premier. Only 48, Dolgikh is the second youngest man among the top 25 Soviet leaders; the youngest is Brezhnev-protege Katushev, 45. It is difficult to determine Dolgikh's political ties at the moment but while in his home kray of Krasnoyarsk he met recently with Brezhnev, who is

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believed to have endorsed his plan for integrated economic development there. Whatever his links to other leaders, the promotion of the youngish Dolgikh is in line with the reported Brezhnev policy of elevating able young specialists.

Status Indicators Favor Brezhnev. Other political indicators of Brezhnev's strong standing have been his major addresses to the May and December plenums in 1972, the publication of his third volume of speeches, numerous feature-length films devoted to his major travels, consistent citation in the media (particularly in Pravda), and the reappearance in December at the 50th anniversary celebration of public endorsements by high political figures of Brezhnev as "head of the Politburo." Another was the surprisingly warm homage paid to him by the alleged "Cassius" of the Kremlin, M. A. Suslov, on the occasion of his 70th birthday award ceremonies. Finally, it should be noted that Belorussian Party Chief Masherov has moved from a position of outspoken opposition to Brezhnev's announced consumer welfare program to public endorsement of his preeminence in late May and December. It may be that Masherov felt isolated after his fellow critic of "consumerism" was removed from Ukraine and decided it was time to make amends.

Unresolved Problems

Though external signs point to Brezhnev's enhanced status vis-a-vis his Politburo colleagues, it is always possible that they may be misleading, for we know far too little about the inner workings of the Politburo to reach any firm conclusions. Even if our surmise that he has improved on his position is correct, this does not mean that he is necessarily firmly ensconced because a number of real or potential problems still face him.

Health. Perhaps the most important at this stage is Brezhnev's health. While it is true that his recent illness does not appear to have been due to a chronic condition, he does have a history of cardiovascular problems, is still overweight, smokes incessantly, and drinks heavily. At age 66, signs of physical deterioration are noticeable, but lack of information makes any prognosis highly speculative. Our feeling at the moment is, however, that he will probably remain fit enough to exercise his responsibilities for the next year or two.

Politburo Opposition? There is no good evidence of opposition within the Politburo to Brezhnev at the present time. On the other hand, that there is argumentation over various policies seems quite plausible,

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and, given Brezhnev's mixed track record, we suspect that he has had to defend policies he has advocated. The greatest danger that he would appear to face comes from three men he has demoted -- Shelest, Voronov, and Shelepin -- who nevertheless remain full members.

It is conceivable that they remain only because of the regime's known penchant not to rock the boat by "wholesale" purges. It appears to us somewhat more likely, however, that they remain because on this issue Brezhnev sensed his colleagues would be unwilling to alter the political balance so drastically in Brezhnev's favor. As long as Shelest, Voronov, and Shelepin remain in the Politburo, any one of them or a combination constitutes a nucleus around which opposition to Brezhnev could form. Their continued presence, moreover, constitutes a restraining influence on Brezhnev's initiative.

Domestic Problems. As is the case with virtually all political regimes, the real "gutsy" issues are domestic. Of these, the most immediate one for Brezhnev and Company is the parlous state of agriculture. As last year's performance demonstrated, the vagaries of the weather exercise an inordinate influence not only on the agricultural sector but on the industrial as well. Although it is still too early to predict the 1973 crop, it is already obvious that it did not get off to a good start, and there are indications that the Soviets are already back in the world grain market.

It is moot whether or not the leadership would be able to face another bad year with the seeming equanimity that it has displayed thus far. Consumer grumbling probably will mount, as the latest information from Moscow indicates that the worst shortages are yet to come. We do not believe that this discontent of the man-in-the-street, however, will materially affect the leadership equation unless it permeates upward through a disenchanted Party apparatus and produces cleavages within the power structure itself -- the Politburo and Secretariat, the KGB, and the military high command -- which could be used by ambitious opponents of Brezhnev. At this time, we do not see evidence to this effect.

Other major problems include the growing sense of national identity among the minorities, the lack of ideological elan throughout

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Soviet society, and awareness of the increasing technological gap among the scientific and technical intelligentsia. Brezhnev and Company have given explicit recognition to their problems, but the measures adopted to date appear largely palliative, and they can be expected to persist if not worsen. Nonetheless, they do not appear serious enough at present to provoke a challenge to Brezhnev's leadership.

Foreign Problems. Foreign political issues would not seem for the immediate future likely to have a debilitating effect on Brezhnev's status, and may well enhance it. Detente policies in the West -- Brezhnev's forte at the moment -- seem well established even if, as was the case with the first session of the multilateral preparatory talks for the Conference on Security and Cooperation in Europe, events do not proceed as smoothly to Soviet liking as anticipated. Serious setbacks in the improving relations with the US, especially failure of the USSR to get MFN provisions from the US and the consequent impediment to development of economic relations, could possibly reflect personally on Brezhnev. He might, however, hope to compensate for this loss with intensified efforts along both economic and political lines in West Europe or with Japan.

The insoluble China problem is as divorced from Brezhnev's personal leadership as Soviet policy toward the West is identified with it, and will probably continue to be a unifying rather than a diversive issue for the leadership. Ups and downs in the Middle East will probably not seriously affect the basic thrust of Soviet policy in that area. Serious turbulence or increasing independence among the communist countries of Eastern Europe would probably raise the most serious challenge to the stability of Brezhnev's leadership, but this does not seem a likely prospect for the immediate future.

Brezhnev's Style: A Saving Grace

What we know of Brezhnev's manner of conducting business with his Politburo and lesser colleagues suggests that he has taken care to touch base on all possible subjects. It is true that with his apparently enhanced status he could begin to act more imperiously and fail to "clear" initiatives, in the manner of Khrushchev. We think it more likely, however, that in times of stress he will be even more desirous of soliciting the views of his colleagues in order to secure his political flanks.

A major difference in Brezhnev's leadership style from that of his

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rambunctious predecessor, which would stand him in good stead if an "arithmetic majority" develops against him in the Politburo, is the fact that he has taken pains not to alienate the republic and provincial leaders who comprise the majority of the Central Committee. His emphasis on the importance of the Party and government bureaucracies, promotion from within, and lateral transfer of officials out of favor suggest that he would have their support if a challenge to his leadership were carried to the Central Committee.

All in all, we feel that Brezhnev is perhaps the ablest Soviet politician who has survived and prospered under the aegis of Stalin and Khrushchev. For a man of his bulk, he is very light on his feet, and we believe that his political life expectancy is good.

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USMISSION NATO
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PARIS, COPENHAGEN FOR SECRETARY SHULTZ

E.O. 11652: N/A
TAGS: PINT, PFOR, UR
SUBJ: BREZHNEV DEMONSTRATES STRENGTHENED POSITION

1. SUMMARY. HIGH LEVEL OF GENERAL SECRETARY BREZHNEV'S ACTIVITIES DURING PAST MONTH, TOGETHER WITH EXTENSIVE MEDIA COVERAGE DEVOTED TO HIM, HAVE HIGHLIGHTED HIS POSITION AS PRIMUS INTER PARES WITHIN PARTY HIERARCHY. DOMESTICALLY, BREZHNEV APPEARS IN FIRM CONTROL OF PARTY APPARATUS WHILE IN REFLM OF FOREIGN AFFAIRS HE HAS OPTED TO SET TONE FOR SOVIET POLICY ON MANY IF NOT MOST OF KEY ISSUES. FOR REASONS WHICH ARE NOT YET FULLY CLEAR,

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BREZHNEV IS APPARENTLY INTERESTED IN DEMONSTRATING MORE SELF-ASSURED AND PROMINENT ROLE IN COLLECTIVE LEADERSHIP AT PRESENT MOMENT. NEVERTHELESS, THERE CONTINUES THE APPARENT LIMITATIONS ON HIS FREEDOM OF ACTION. END SUMMARY.

2. PAST MONTH HAS BEEN ONE OF UNUSUAL ACTIVITY INCLUDING INCREASED PUBLIC EXPOSURE FOR BREZHNEV. AS FEBRUARY BEGAN, BREZHNEV'S HAND COULD BE SEEN IN RESHUFFLE WITHIN NATION'S AGRICULTURAL HIERARCHY WHICH LED TO DEMOTION OF FELLOW POLITBURO MEMBER PLOYANSKIY WHILE AT SAME TIME SIGNALING INCREASED ROLE FOR MINISTRY OF AGRICULTURE. CHAIN OF EVENTS LEADING FROM BREZHNEV'S TOUR TO SIBERIAN AND VIRGIN LAND AGRICULTURAL HIERARCHY HAS OVERALL EFFECT OF SIGNALING BREZHNEV'S PERSONAL CONCERN ABOUT IMPROVING COUNTRY'S AGRICULTURAL PERFORMANCE WHILE AT SAME TIME SHIFTING BLAME FOR PAST FAILURES TO OTHERS.

3. FEBRUARY 19 AWARD CEREMONY HONORING POLITBURO MEMBER AND SUPREME SOVIET CHAIRMAN PODGORNII ON OCCASION OF HIS 70TH BIRTHDAY PROVIDED ANOTHER OCCASION FOR PUBLIC EXPOSURE WHICH WAS AT SAME TIME NOTEWORTHY FOR PRAISE WHICH PODGORNII HEAPED UPON BREZHNEV. SPEAKING OF THE "OUTSTANDING CONDITIONS OF COMRADELY TRUST AND UNITY WHICH EXISTS AMONG US IN THE PARTY, IN THE CENTRAL COMMITTEE AND IN THE POLITBURO," HE SAID, "WE CORRECTLY SEE IN THIS THE SERVICE OF THE PRESENT COMPOSITION OF THE CENTRAL COMMITTEE AND THE POLITBURO, AND THE GREAT PERSONAL CONTRIBUTION OF L. I. BREZHNEV, IN BRILLIANTLY UNIFYING AND ORGANIZING OUR COLLECTIVE, OR ENTIRE PARTY IN DECIDING THE TASKS CONFRONTING US."

4. BREZHNEV'S TRAVEL TO CZECHOSLOVAKIA (FEB. 21-25) TO ATTEND THE CELEBRATIONS OF THE 25TH ANNIVERSARY OF THE COMMUNIST TAKE-OVER, PROVIDED YET ANOTHER OCCASION FOR ENHANCING HIS PRESTIGE AND FOR HEAVY MEDIA COVERAGE. IT IS PARTICULARLY NOTEWORTHY THAT BREZHNEV WENT TO PRAGUE UNACCOMPANIED BY ANY OTHER SENIOR PARTY OFFICIALS. THE TRIP, COMING AT TIME WHEN CZECHS COULD ASSERT THAT SITUATION IN COUNTRY HAD RETURNED TO NORMAL FOLLOWING DURCEK ADVENTURE, HAD EFFECT OF PERSONALLY ASSOCIATING BREZHNEV WITH CORRECTNESS OF SOVIET POLICY IN DEALING WITH CZECHOSLOVAK SITUATION OVER LONG TERM. IN ADDITION

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TO USUAL MOSCOW DEPARTURE AND ARRIVAL PICTURES, SOVIET MASS MEDIA DEVOTED HEAVY COVERAGE TO BREZHNEV'S ACTIVITIES IN CZECHOSLOVAKIA. ON FEBRUARY 24 VIRTUALLY 75 PERCENT OF THE SPACE ON THE FRONT PAGES OF THE CENTRAL PRESS WAS DEVOTED TO BREZHNEV IN PRAGUE. FULLY 40 MINUTES OF EVENING TELEVISION NEWS COVERAGE ON FEBRUARY 23 WAS DEVOTED TO THE PRAGUE CELEBRATIONS WITH BREZHNEV GETTING CENTRAL ATTENTION.

5. SEQUENCE OF EVENTS SURROUNDING ISSUANCE OF NEW PARTY CARDS PROVIDED FURTHER EVIDENCE OF BREZHNEV'S STANDING ON LEADERSHIP LADDER. ALL CENTRAL PRESS MARCH 2 CARRIED LARGE, FRONT-PAGE, PHOTOS OF BREZHNEV SIGNING CARD NO. 000001 ISSUED IN NAME OF LENIN. LESS PROMINENTLY DISPLAYED WAS PICTURE OF MOSCOW-BASED LEADERSHIP ATTENDING CEREMONY. (IT INTERESTING THAT GRISHIN, SHELEST AND SHELEPIN WERE NOT SHOWN IN PICTURES ALTHOUGH LISTED IN REPORTS AS PARTICIPATING IN CEREMONY.) FOLLOWING DAY (MARCH 3) CENTRAL PRESS ANNOUNCED, IN RELATIVELY LENGTHY ARTICLES, THAT BREZHNEV RECEIVED HIS NEW PARTY CARD (NO. 000002) IN PRESENCE OF PARTY SECRETARIES. ALTHOUGH PHOTOS OF CEREMONY NOT CARRIED IN PRESS, EVENING TELEVISION NEWS DID HAVE COVERAGE OF EVENT. ONLY NEXT DAY (MARCH 4) DID CENTRAL PRESS HAVE BRIEF REPORT THAT OTHER PARTY LEADERS HAD RECEIVED THEIR NEW CARDS.

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R 101217Z MAR 73
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 7002
INFO AMEMBASSY COPENHAGEN
AMEMBASSY BELGRADE
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMEMBASSY PRAGUE
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6. BREZHNEV HAS ALSO PLAYED AN ACTIVE ROLE IN FOREIGN AFFAIRS OF LATE, SETTING THE TONE FOR SOVIET POLICY ON MANY IF NOT MOST OF THE KEY ISSUES. HE HAS IDENTIFIED HIMSELF STRONGLY WITH THE VIETNAM SETTLEMENT, MEETING FOR THE FIRST TIME WITH FREQUENT MOSCOW VISITOR LE DUC THO AND OUTLINING SOVIET POSTWAR ATTITUDES IN A BANQUET SPEECH ON JANUARY 30. WITH THE EXCEPTION OF THIS DECEMBER 21 REBUKE TO THE US ON RENEWED BOMBING, HE HAS REMAINED OUT OF THE LIMELIGHT ON VIETNAM ISSUES UNTIL THE OUTCOME COULD BE BILLED AS A SUCCESS. IN APPARENT EFFORT TO ERASE SCARS LEFT BY LAST JULY'S EXPULSION OF SOVIET MILITARY ADVISORS AND IDENTIFY HIMSELF WITH SEARCH FOR PEACE IN MIDDLE EAST, BREZHNEV RECEIVED BOTH SADAT ADVISER HAFEZ ISMAIL (FFB. 81) AND WAR MINISTER ISMAIL-

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ALI (FEB. 27). SIMILARLY, BREZHNEV MET WITH SOUTH YEMENI PRIME MINISTER (MAR. 8). FACT THAT BREZHNEV SHOULD CHOOSE TO RECEIVE JAPANESE AMBASSADOR (MAR. 6) CARRYING MESSAGE FROM JAPANESE PRIME MINISTER (IN CONTRAST TO HIS FAILURE TO MEET LAST OCTOBER WITH FOMIN OHIRA) ALSO IDENTIFIED BREZHNEV WITH NEW EFFORT TO IMPROVE HITHERTO FROZEN SOVIET-JAPANESE RELATIONS. INSIDE THE BLOC, BREZHNEV HAS TAKEN LEAD TO BOOST SOLIDARITY WITH FRATERNAL COUNTRIES; IN ADDITION TO HIS VISIT TO CZECHOSLOVAKIA, HE WAS ONLY TOP LEADER TO MEET WITH NORTH KOREAN PARTY DELEGATION (FEB. 28) AND HE EVEN MET WITH DEPARTING CUBAN AMBASSADOR (MAR. 7) IN MEETING WHICH COULD HAVE US-CUBAN AS WELL AS PARTY SIGNIFICANCE.

7. ASIDE FROM PERENNIAL PROBLEM OF CHINA, PRINCIPAL CLOUD ON BREZHNEV'S HORIZON CONCERNS US-SOVIET ECONOMIC RELATIONS AND THEIR POSSIBLE IMPACT ON RETURN VISIT TO U.S. IN RECEIVING ARMAND HAMMER (FEB. 15), BREZHNEV LENT HIS PERSONAL INFLUENCE, HOWEVER, TO CURRENT SOVIET CAMPAIGN FOR INCREASED TRADE WITH U.S. VISIT OF SECRETARY SHULTZ WILL TEST HOW FAR BREZHNEV WISHES TO GO IN IDENTIFYING HIMSELF WITH MOST VULNERABLE ASPECT OF HIS POLICY TOWARD U.S.

8. DESPITE EVIDENCE OF A PERHAPS STRENGTHENED PERSONAL POSITION, CIRCUMSTANCES SUGGEST THAT BREZHNEV STILL DOES NOT HAVE, AND PERHAPS DOES NOT ACTIVELY SEEK, COMPLETE FREEDOM OF ACTION. IT IS SIGNIFICANT THAT BREZHNEV HAS EITHER NOT BEEN ABLE, OR CONSIDERED IT UNWISE, TO TRY TO REMOVE THOSE WHO LOST OUT IN PAST POWER PLAYS, SUCH AS SHELEPIN, VORONOV AND SHELEST. HE HAS DEMONSTRATED WITH POLYANSKIY APPOINTMENT, HOWEVER, THAT HE IS ABLE TO PLACE ONE OF YOUNGER, ABLER LEADERS IN VULNERABLE POSITION. INFLUENCE OF KOSYGIN APPARENTLY REMAINS STRONG (WITNESS HIS RECENT TROUBLE-SHOOTING MISSION TO TYUMEN AND UFA OIL AND GAS PRODUCING REGIONS, AND HIS ANNOUNCED VISIT TO SCANDINAVIA). BREZHNEV HAS CHOSEN, HOWEVER, TO MEET THIS PAST MONTH WITH DELEGATIONS (E.G., S. YEMENI AND JAPANESE) WHO WERE RECEIVED BY KOSYGIN LAST YEAR, AND OCCASIONAL MEETINGS BETWEEN KOSYGIN AND FOREIGNERS, E.G., DEPARTING ITALIAN AMBASSADOR (FEB. 18), ARE GIVEN MUCH LESS PROMINENCE THAN THOSE WITH

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BREZHNEV. IT IS QUESTIONABLE WHETHER BREZHNEV WOULD WISH TO TAKE ON BURDEN OF IDENTIFICATION WITH AILING SOVIET INDUSTRY ON TOP OF AGRICULTURE. FACT THAT ONLY PRAVDA UKRAINY REPORTED MEETING BETWEEN UKRAINIAN PARTY LEADERSHIP, LED BY POLITBURO PROTEGE SHCHERBITSKIY, AND BREZHNEV EN ROUTE TO PRAGUE SUGGESTS THAT DISCUSSION MAY HAVE HAD INTRA-PARTY IMPLICATIONS (E.G. STRENGTHENING SHCHERBITSKIY'S POSITION VIS-A-VIS SHELEST) WHICH BREZHNEV PREFERRED NOT TO PUBLICIZE IN CENTRAL PRESS.

9. COMMENT: BECAUSE BREZHNEV IS ASSERTING HIMSELF MORE TODAY DOES NOT MEAN THAT HE HAS CLEAR SAILING AHEAD. THE INTERNAL PARTY SITUATION AND THE BURDENS OF LEADERSHIP OF SO COMPLEX A STRUCTURE AS THE USSR SUGGEST THAT COLLECTIVE LEADERSHIP WILL REMAIN THE CORNERSTONE OF PARTY POLICY, THEREBY IMPOSING CONSTRAINTS ON BREZHNEV'S FREEDOM OF ACTION. ADDITIONALLY, HE FACES ENOUGH INTERNAL (AGRICULTURE, GENERAL ECONOMY) AND FOREIGN POLICY (CUBA, MIDDLE EAST, US-SOVIET ECONOMIC) PROBLEMS SO THAT HE REMAINS POTENTIALLY VULNERABLE TO CRITICISM AND EVEN CHALLENGE. HOWEVER, OUR ANALYSIS REMAINS ESSENTIALLY THAT OF LAST FALL (MOSCOW 8918). GIVEN BREZHNEV'S ABILITY AT INFIGHTING, HE SHOULD MANAGE TO SPREAD RESPONSIBILITY FOR ANY SETBACKS, AND THERE IS NO SERIOUS DANGER THAT HIS POWER BASE WILL BE ERODED IN THE COMING MONTHS UNLESS HE IS STRUCK BY AN UNLIKELY CONSTELLATION OF FOREIGN AND DOMESTIC CRISES.

DUBS: So question is: will he be struck
CIA thinks we more bad harvest may be true end for B
R. Conquest thinks "crises" already well along

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February 15, 1973

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ANALYST

A FORTNIGHTLY NEWSLETTER

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- MANPOWER TROUBLES
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EDITORS

ROBERT CONQUEST

TIZOR STARBUELY

Polyansky: Agricultural Political Crisis

The appointment of Dmitri Polyansky as Minister of Agriculture comes at a time when the political struggle among the Soviet leadership has reached an intensity not seen since the defeat of the Shelepin faction in the wake of the Six-Day War in 1967.

Commentators in the West have been asking whether this appointment is a demotion for Polyansky or a sign that the agricultural crisis is now so grave that the immediate attention of a full Member of the Politburo is required. But this is to put the matter too schematically, too much as a question of "either . . . or".

In Moscow, no doubt is felt that Polyansky's new post represents a demotion. There is only one precedent for a member of the Politburo becoming Minister of Agriculture. This was when Robert Eikhe was appointed to the post in October 1937. He was already on a secret list of those to be executed, and went to the Lubyanka a few months later. And it is also recalled that if Molotov and Malenkov had succeeded in their attempted coup in 1957, they proposed to transfer a defeated Khrushchev to that same post.

Soviet agriculture has, of course, been through

a whole series of crises in the past couple of decades, without the Ministry becoming a Politburo appointment. Indeed, one of the oddest things about Soviet agriculture is the length of tenure of its successive Ministers through thick and thin, famine and crop failure, dust bowls and machinery breakdown. Ivan Benediktov was Minister or Deputy Minister (or in charge of one of the Ministries into which the sphere was occasionally divided) almost uninterruptedly from 1938 to 1959, remaining while Stalin and his successors changed and (only too literally) chopped successive holders of many other posts. Vladimir Matskevich, who has just been removed from the post, held it, or its Deputy's position from 1952 until Khrushchev fired him in 1960; and he was restored in 1965-1973. Such men have often been criticised, but it has never been suggested that the day-to-day work of their Ministries needed a higher type of being.

The reason has been that the post of Minister has been one of technical bureaucrat, without any responsibility for policy. General decisions were taken in the Politburo as a whole; the effective leader of the Party has always been personally concerned, and a less senior member of the

Politburo has always been directly responsible. Under him, and assisting him, a high official of the Party apparatus—either the head of its Agricultural Department, or an actual Party Secretary—has been the other major figure above the Minister.

The present position is that Brezhnev has personally made agriculture one of his main concerns, even in a number of public speeches. Polyansky, following Voronov, whose ideas appeared too radical for the leadership, was the Politburo Member in charge; and Kulekov represented the Party apparatus. Kulekov is now a full Member of the Politburo, and the official position would seem to be that he will henceforth exert at least as much, and on the face of it more, power in the field than Polyansky himself. The fact of Polyansky's removal from his First Deputy Chairmanship of the Council of Ministers is also most significant. There is no rule that a man in charge of a Ministry may not also be a First Deputy Chairman, or Deputy Chairman, of that Council, and in the past they invariably have been—except when in the greatest disfavour—for example, Molotov retained that rank while also being Minister of State Control in 1956; and similarly with Kaganovich when he was made Minister of the Construction Materials Industry in that year. It was even regarded as a notable rebuff when Malenkov, removed from the Premiership allegedly for incompetence, became a mere Deputy Premier rather than a First Deputy Premier, when appointed Minister of Electric Power Stations. In any case, there is no reason why Polyansky should not have kept a Deputy Premiership.

Polyansky's position on agriculture has been more or less that of Brezhnev; though he has constantly demanded a greater allotment of resources to it (as in his article in *Kommunist* No. 20, 1969). On other issues, he seems generally to have taken the rather more anti-Stalinist line both in Khrushchev's time, when his speeches (like Podgorny's) consistently put forward a more "liberal" Khrushchevite view than Brezhnev or Kosygin. Indeed, he first came to prominence as one of the most active of all Central Committee

members in forwarding Khrushchev's fight against the old line leadership in 1957 (though he was also one of the main managers of the coup against Khrushchev in 1964). More recently he has been reliably reported as opposing some of the arrests of dissident writers.

He has thus on the whole taken a line on various issues independent of, and not naturally acceptable to, Brezhnev, to whom he owes nothing. He has now suffered demotion, and also been put in a position where he can be held personally responsible for the next great agricultural failure.

This in no way contradicts the idea that the leadership's view of the agricultural crisis is so grave that it feels that only a most competent administrator (as Polyansky is reputed to be), with the utmost pressures of responsibilities on his head, can even hope to cope. If the current failure of snow cover in the Soviet Union (which can hardly be thought of as Polyansky's responsibility) really produces a year as disastrous as 1972, the leadership will indeed be facing a major crisis, and in Soviet conditions a major crisis automatically transforms itself into extreme political tensions at the top. The firing of the Minister, the extremely serious allegations of violations of State discipline against a leading subordinate, Sergei Shevchenko, Chairman of the RSFSR Agricultural Supply Organisation, are obvious evidence of great anxiety and pressure.

The international significance of a further crop failure must of course be enormous. We will be considering it, together with other factors, in future issues. Meanwhile, it would be a mistake to underrate the mere political effects in the Politburo. In Russia, all real politics is concentrated in the leadership. All chance of change depends (at least at present) on the potential explosiveness at the top. Polyansky's appointment, and the whole agricultural situation, are only one of the many factors now simmering dangerously in the Kremlin. The leadership is in disarray, faction prevails—and can be seen in aggravated form in many other fields, as we note below in connection with the national problem.

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EDITORS

ROBERT CONQUEST

TIBOR SZAMUELY

Leadership Prospects

Brezhnev's minor illness in the autumn started much speculation on the future leadership of the USSR, not only here, but in Moscow circles too. On his recovery, it died down to some extent. But it has lately gained a new lease of life as reports about his generally unsatisfactory physical condition circulate (a bad heart, allegedly, as well as a poor liver, and smoking too much into the bargain). With a General Secretary in his 67th year and not in the best of health, people are once again talking about possible successors.

It is not merely a matter of personalities, moreover. The disappearance of Brezhnev might well signify a change, either for the better or for the worse, in the policies pursued in the Kremlin—depending on what political combinations resulted from the new leadership. And it is here, to some extent, that the main vulnerability of current American policy may perhaps be thought to lie—in the lack of any built-in stability in the politics of the Communist countries. In China, as is often pointed out, the problem is similar. And the Chinese now tell us that Lin Pao had offered the Russians territory in exchange for their support. This may merely be a smear, or refer to no more than a proposed settlement of the dispute about the islands in the Amur, and so on. But it has long been clear that Lin had Russian support, and that he might well have succeeded in seizing power but for bad luck; and that this might well have very gravely affected, at least for the time being, the current balance of power in the world.

Brezhnev, who is reported as very concerned with his role in history, has for the time being

struck a balance, or made a compromise, between the long-term total irreconcilability in matters of power and of ideology which possesses the apparatus and the immediate necessities imposed on Russia by crop failure, industrial backwardness, Chinese hostility and the other troubles besetting the regime. And it may be felt that a successor must pursue similar policies, at least while under the current constraints. On the other hand, the Brezhnevite policies contain several "contradictions" as a Marxist would say. Not merely the fact, to which we have often adverted, that a measure of political detente and of economic dependence on the West has been combined with an extreme assertion of ideological autarky, but also that policies not truly compatible with the main line, such as the forward moves with expensive fleets in the Middle East and elsewhere, have had to be allowed. And there is little doubt that this has been, in one aspect, a sop to a more aggressive minority in the Politburo.

How the balance of forces in the Politburo would develop if Brezhnev died or become incapable is as yet unclear. Brezhnev himself has been building up a cadre of men mainly in their early 40s, which he presumably intends to use to replace the older generation of his colleagues and rivals. A replacement for Brezhnev at this point, if he came from among the present leading figures, would hardly be younger than Brezhnev himself. The two senior Party figures, Suslov and Kirilenko, are respectively four years older and the same age. There is speculation that a successor might be found among the younger group.

Shelepin, the former leader of the "young" opposition is not at present much spoken of. Polyansky is believed to be a sick man too. A name now much bandied about is that of Mazurov, as a political candidate for one or other of the top posts.

Mazurov was selected this year to deliver the formal speech on the October Revolution. This is traditionally given by a member of the Politburo. The significant point is that several members, including Kirilenko, have never given the report at all, while Mazurov has already had the honour once before, in 1968. Only Brezhnev himself (1964 and 1967), Podgorny (1963 and 1969) and Suslov (1956 and 1970), of the current leadership, have previously had this honour. There is little doubt in Moscow that the point has its significance.

There is some very slight indication, incidentally, that Mazurov, who is a Byelorussian, may tend to the less centralising view of the national-ity problem. At least, in his speech he used the phrase "all our peoples", which was corrected in the version of the speech as actually published. Indeed, it is not impossible that the set-piece in *Pravda* the following day on the whole question of the "Soviet people" (see SOVIET ANALYST, Vol. 2 No.1) may have been a retort to this. Such apparently minor disputes on ideological phraseology have in the past played important roles in the political in-fighting: for example, when Molotov was censured in 1955 for saying that "the foundations of a socialist society" had been built in the USSR when he should have said that socialist society itself had been so built (*Kommunist*, October, 1955).

But Mazurov is 58, (Shelepin and Polyansky are 54 and 55). Stalin's heir apparent, Malenkov, ranked as Number 2 man when he was 47 or 48. Stalin himself became the country's leading figure when he was about 45. Indeed, Lenin himself was only 47 when he made the Revolution. The balance of probability appears to be that if Brezhnev lasts another 5 or 6 years, his current rivals will no longer be very credible and he may have time to promote a younger man. If he were to go now, it seems likely that the present Politburo would not let power out of its own hands. In later issues of *Soviet Analyst* we will be considering the careers and attitudes, in so far as they are known, of the main figures in the present leadership.

A powerful boost for Brezhnev—and, less effectively, for his direct allies—came with the publication at the beginning of December of the third volume of his Works (*The Soviet Communist Party in the Struggle for the Unity of All Revolutionary and Peace-Loving Forces*). *Pravda* (8 December, 1972) prints a long editorial on this volume, and this was broadcast not only on

the internal but on most of the Soviet external services as well. Brezhnev emerges as a first-class Marxist, and a splendid tactician in the field of international politics with which the volume is largely concerned.

On the other hand, the Central Committee Plenum held on 18 December announced two changes among the leadership. First was the expected removal from his position as candidate member of the Politburo of Mzhavanadze. The second was the promotion of Vladimir Dolgikh to be Secretary of the Central Committee in charge of Heavy Industry. That there has been difficulty about this post is clear, since it has been effectively vacant since July, 1971 (when Mikhail Solomentsev was promoted to chairmanship of the Council of Ministers of the RSFSR). In 1965 Dolgikh was head of the Mining and Metallurgical Combine at Norilsk, which was one of the first to be reorganised on the principles of Kosygin's economic reform of that year. In 1969 he was promoted to be First Secretary in Krasnoyarsk, in spite of some almost certainly politically motivated criticisms of his factory which actually appeared in the Party theoretical organ *Party Life*. There is thus at least some presumption that the delay in filling this post on the Secretariat was due to political disputes, and that Dolgikh himself is probably not to be regarded as a protege of Brezhnev's.

Meanwhile, as we have earlier reported, there are evident signs of hostility in the Politburo to Brezhnev's policies. It has been noted too, that for over a year *Izvestia* (the organ of the Supreme Soviet, as against *Pravda*, of the Party's Central Committee) has been continually emphasising the advantages of collectivity in leadership at all levels. Such isolated campaigns by *Izvestia* in the past have invariably been signs of conflict between governmental representatives and the leading figure in the Party. *Izvestia* itself ran a line contradicting *Pravda* in late 1954 and early 1955, putting Malenkov's view against Khrushchev's; and again 11 years later, when governmental representatives such as Kosygin were attempting to take the economic reforms further than the Party ideologists wished.

Collectivity itself has invariably been stressed while attempts were being made to limit the powers of the leading figure of the Politburo: again, there are a number of examples from 1953 on. There seems little doubt that *Izvestia's* attitude reflects (to put it mildly) a desire to prevent Brezhnev extending his power. In particular, his move to create a "USSR State Council", which became known in September, 1971, appeared as a threat especially to the position of Podgorny. For the scheme implied a reorganisation of the state leadership, to give Brezhnev effective control over areas now run by the Presidium of the

Supreme Soviet and the Council of Ministers. It is worth noting, too, that Mazurov's anniversary report dealt with the subject of collectivity in four separate passages.

All in all the stability of the ruling group remains threatened by faction, as well as by age and sickness.