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NOTE TO: VADM John M. Poindexter, USN
Deputy Assistant to the President for
National Security Affairs

The Honorable Michael H. Armacost
Under Secretary of State for Political Affairs

The Honorable Fred C. Ikle
Under Secretary of Defense for Policy

Attached is an assessment of the Soviet gameplan leading up to and following the summit. It also includes some thoughts on Soviet perceptions of their "America problem." It was prepared by [redacted] the Assistant National Intelligence Officer for the USSR. Both Bill Casey and I think it is an excellent piece of work and commend it to you.

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Robert M. Gates
Deputy Director for Intelligence



Attachment:
As stated

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GORBACHEV'S PROSPECTIVE COURSEWhat Moscow Wants

The Soviets failed badly in their external goals during the past half decade because of Western, and particularly US, policy changes--higher defense budgets, tighter trade controls, tougher negotiating positions, support for insurgencies against Soviet clients, etc.--that newly challenged the USSR at a time when the Soviet Union was befallen by enfeebled leadership and economic stagnation. The Soviets responded to these difficulties essentially by putting their heads in the ground: following up Andropov's prolonged illness and death by naming Chernenko before they could bring themselves to give the mantle to Gorbachev; stooping to increasingly demoralizing exhortations and promises lacking any prospects of turning the economy around; responding to the Administration's toughening stance by becoming more belligerent, threatening, and going so far as to assert that the "risk of war" was growing. Moscow's decision to deepen its conflict with the West rather than show flexibility, culminating in its walkout from the INF and START talks and war scare talk in 1983-84, was highly counterproductive.

The Soviets have recently adopted a range of revised approaches to their problems. Gorbachev and many of the people he is promoting represent a new generation of leadership; a series of significant, if not dramatic, changes are being inaugurated aimed at economic revitalization; and a new tack has been taken toward the West. Since last Fall, beginning with the leadup to the Shultz-Gromyko meeting at Geneva in January, followed by the reopening of arms talks in Geneva, and now the Reagan-Gorbachev summit, the Soviets have backed off their conflictive diplomatic course in favor of recreating a more cooperative atmosphere which ideally, as they relate in their own rhetoric, would see a return to the "detente" atmosphere of the 1970s. The Soviets believe that if they can nudge the US back to a posture of pursuing a cooperative, problem-solving relationship with the USSR as a first order of business rather than first demanding Soviet concessions that would reduce major asymmetric threats to Western security--for example, the Soviet hard target capability--they can then better reduce the US's long-term threat to the Soviet military posture, SDI, and gain Western support for the Kremlin's other major priority, economic rejuvenation.

The Soviets know how badly they have failed in their bellicose diplomacy toward stopping first INF and now SDI in that INF deployment was begun notwithstanding Moscow's pulling out all the stops and SDI has not been halted or slowed by Soviet threats and recriminations. Rather the lesson appears to be that these programs have prospered if only because of Soviet behavior. Meanwhile SDI threatens at a minimum to upset the pace of the strategic competition, one which Moscow is comfortable with, and add much uncertainty to where the "correlation of forces" will lie for many years ahead; if things work out the way the Administration would like, it could render much of Soviet doctrine and

[REDACTED]

investment in strategic forces to the ashcan. Moscow's nightmare, far into the future as it may be, is that US strategic defense technology might ultimately provide the US a one-sided first strike capability that would restore to the US broad global supremacy over the USSR.

Related to this, Gorbachev and the new Soviet leadership are deeply concerned that the USSR's current economic problems will make it difficult to aggressively compete with the US for at least the next several years. Moreover, they want Western economic support to help overcome these economic problems. The Soviets fear SDI and other strategic weapons programs favored by the Administration not only because of the new military dangers and uncertainties they pose, but also because these programs threaten to force the diversion of significant incremental resources--financial, technological, and manpower--that the Soviet Union can ill afford. Nor is Moscow now likely to feel so able to afford the procurement in the 1990s of aircraft carrier task forces for global power projection as was probably anticipated a few years ago. The Soviet economy also can no longer afford to undertake new largescale economic programs to the Third World.

More than this, though, Soviet leaders appear to believe they need Western economic support to regain higher growth rates and install the modernity that the Soviet economy needs to again become vibrant and satisfy domestic consumer demands. To obtain the technologies and production capabilities that the USSR needs in key areas, Soviet leaders want the West--to which the US is the key--to relax COCOM controls, again become receptive to the construction of turnkey facilities and jointly undertaken major infrastructure projects in the USSR, and otherwise transfer capital and skills to the USSR for Soviet exploitation. Moscow needs a much more cooperative atmosphere in East-West relations to bring this about; it can see that such an environment is important both by how they have suffered in recent years and how things have loosened up a bit during the past year since US-Soviet relations have become more businesslike if not friendly.

The Solution

Gorbachev's strategy is to induce and cajole the Administration in the leadup to the summit to accept a framework for further NST talks at Geneva that would have the US agree to restrain the pace of its SDI effort (hopefully to restrict it to the laboratory) in return for which the USSR would agree to consider non-trivial mutual reductions in strategic offensive forces. The Soviets want first-off to gain US agreement to the principle that SDI is negotiable; gaining this, they might even countenance significant offensive force cuts insofar as they minimally detracted from their overall strategic posture, most critically their hard target kill capability. Moscow would hope that US agreement to such a framework would lead to increased domestic and allied pressures on the Administration to reach an agreement as soon as possible, that

pressure causing the Administration to accept a minimal price rather than stick to a demand that the USSR give up its first strike advantages. Prior to such an agreement, the Soviets want to suggest that they will pay a price, even a big one; once they have the agreement, they probably calculate, the resulting changed atmospherics will end the need for them to deliver very much. At worst, they might see themselves accepting force reductions to levels that would not alter Soviet strategic advantages.

The Soviets see such an agreement in principle at the summit as a major goal in their strategy to reimpose a detente atmosphere on East-West relations and pick its fruits. Through that substantive and environmental achievement, from Moscow's perspective, lies the solution to the current strategic and economic dangers to the USSR, and also more favorable prospects for other Soviet global goals:

Improving the likelihood of reduced US defense spending.

Improving the prospects of socialist gains in major West European elections and weakening the Nakasone wing of the LDP in Japan.

Reducing China's resistance to and preconditions for closer relations with the USSR.

Curtailing US support for the insurgencies in Afghanistan, Nicaragua, and Angola.

Restoring the vitality of the Western European peace movement.

Gaining Soviet entry into Middle East peace efforts.

Reducing Western resistance to Vietnamese domination of Indochina.

To build pressure on the Administration to accept this course, the Soviets have hinted at various levels of offensive force reductions they might accept and conducted a diplomacy aimed at portraying new reasonability and earnestness. Their approach, though, is aimed at gaining leverage on the Administration through the US domestic scene and the allies more that it is aimed at persuading the President and his advisors. The Soviets will seek to add to this pressure in the weeks ahead through Shevardnadze's efforts at the UN and Gorbachev's summit with Mitterand. Shevardnadze also will press Moscow's proposals in his meetings with US leaders and seek to measure Soviet prospects while he is here. In Paris, Gorbachev might unfold an INF proposal meant to appeal to NATO that is linked to Soviet satisfaction on SDI as well as to the Dutch INF decision due 1 November. Moscow probably would also like to score other regional gains if it could to further cajole the US, but there are no signs yet that the Soviets are willing to make tactical concessions that might achieve this in their relations with China, in the Middle East, or elsewhere.

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Post Summit Courses

Gorbachev probably intends to play his current hand out before he considers other options. He wants to see if he can get something for free in real strategic terms before doing anything else; if he becomes convinced he can't before the summit, he might possibly make a tactical concession in a regional arena to pressure the Administration as noted above. But he is not likely to commit himself to any broad alternative approach until after the summit. He might then consider a number of different courses, more roundabout, dangerous, accommodating, or delaying along the following lines:

Roundabout: The Soviets make a series of diplomatic gestures and even concessions to a few US friends and allies such as China, West Germany, Japan, and Israel aimed at altering regional realities in ways adverse to the US, regaining the initiative in international affairs, and undermining allied support and domestic confidence in the Administration's course. In doing so, Moscow would be making, in its view, tactical concessions in the hope of reaping broader strategic advantage. Such a course might appear to have some promise for the possible regional gains in themselves; it might look even better as a means of weakening US steadfastness as the Administration's time in office begins to expire.

Dangerous: Gorbachev could conclude following a no-gain summit that the USSR, and he in terms of his own political position, could not afford to look unsuccessful or weak in dealing with the US and had to make the Administration pay a price. At a minimum, he might believe the US had to realize it was dangerous to so refuse Moscow. The objective would be to shatter US confidence in its ability to diplomatically control events and lead Congress and the allies to believe the Soviet Union had to be accommodated to some degree. Accordingly, for example, the Soviets could in this mode send jet combat aircraft to Nicaragua, take a stronger stance toward Pakistan, walk out from the NST talks, attempt to impose its will on Iran, and so forth.

Accommodating: The Kremlin might regard all other near-term paths as promising no net gains in the end result; it might also regard its economic needs as being so great that it might accept the necessity to concede a substantial portion of its strategic doctrine and first strike capability to obtain US restraint on SDI and the political atmosphere it wants. Moscow would regard such a concession as the ultimate it was prepared to go. Even in this sullen, defeatist mood the Soviets would not be prepared to trade the MBFR concessions the West wants that would curtail the Soviet military threat to Western Europe. This theater advantage would remain unabated by a US-Soviet return to the doctrine of mutual assured destruction and would gain new life insofar as SDI threatens it.

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Delaying: The Soviets could alternatively decide to try to tough it out, making no major concessions to anyone and avoiding major risks of confrontation themselves. Rather their gaze would be fixed on the 1986 US Congressional elections and 1988 Presidential election in which they would calculate the Republican Party would lose seats and the President position in the first, while the second would likely see the succession to office of a President no worse and probably less hostile to the USSR than is President Reagan. The Soviets could believe that high interest rates, the budget deficit, and trade deficit, will gradually force President Reagan or his successor to accept lower defense budgets while their own efforts at economic revitalization--personnel changes, management reforms, greater emphasis on science and technology, and other actions--will provide a great enough growth increment to address their most urgent requirements. Further encouraging Gorbachev in this direction would be his new team's more appealing diplomatic style in the West.

So far Gorbachev has shown no inclination to make any serious tactical concessions that might gain net regional advantages, despite numerous hints that Soviet policies are now more fluid and flexible. If he concluded that such gains were to be had, he would make such moves for their own sake; he would certainly do so if he thought they also would lead to net gains vis-a-vis the US. It, of course, would be risky for Moscow to make regional concessions that it anticipated would not gain local advantage but might gain worthwhile advantage with the US; that is there dilemma.

Pursuit of a more confrontational course in the early 1980s led the Soviets to where they are now including the major failures and problems they currently confront. Tactically, they gave up on this course a year ago; to go back to it promises no greater likelihood of success. If this were a good option in the broad sense, it may be asked, why have the Soviets not already taken this road? The answer likely lies in their calculation that the net gains regionally are dubious and perhaps even more dangerous to the USSR than to the US. Pursuit of this course is not out of the question, but would represent the bankruptcy of Soviet policy and Moscow's determination to pursue a policy of frustration rather than make substantive policy adjustments or even sit tight.

It is possible but unlikely that the Soviets will feel enough pressure in the near-term to make strategic concessions. (They almost certainly would not concede their theater advantages.) Giving up their hard target capability would mean repudiation of one of the Brezhnev era's two most important strategic gains--the other being broad parity--and be an enormous gain to the US while representing a loss of credibility for the USSR. Politically, any accommodation would be exceedingly risky to Gorbachev. The Soviets will never speak publicly and would find it hard to speak privately of the utility of this course.

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The final course, waiting the Reagan Administration out, is likely to be most appealing to the Kremlin for the reasons already mentioned. Rather than accept the need for the third course, the Soviets also could graft moderate elements of the first two courses on to this fourth one. Soviet rhetoric and media statements are likely to increasingly forecast a combination of the first two policy alternatives as most likely if the Administration appears unlikely to deliver what Moscow wants as the summit approaches. In the aftermath of a failed summit, from the Soviet perspective, Moscow probably will start saying it intends to wait the Administration out.

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Moscow's View of the Reagan Administration

The Soviets believe President Reagan and his long-time, closest advisors share a conscious, deep-seated hostility to the Soviet Union and would like to turn back the clock of history if they could. They see the President as much more of an ideological warrior than his predecessors; they believe that while the latter also would have liked the USSR to be different, they thought this impossible to bring about, accepted the Soviet Union as a second superpower, accorded it a grudging respect, and pursued policy lines that acknowledged a Soviet role in all aspects of international affairs. President Reagan, the Soviets believe, accords the USSR no such acceptance and, given the opportunity, he more so than his predecessors would act to roll back Soviet gains in recent decades.

The Soviets find ideological confirmation of this view in the President's muscular support of individualism, private enterprise, less government, and what they term "capitalism" at home and "imperialism" abroad.

They regard references to the USSR as the "evil empire" and jokes about declaring the USSR "illegal" and "start the bombing in five minutes" as indicative of deeply held feelings.

They regard US support for insurgents in Afghanistan, Nicaragua, Angola, and elsewhere as rejection of the status quo and attempt to reverse Soviet gains in the Third World.

They believe the Administration's commitment to SDI and the other strategic programs it would like to pursue are aimed at outmoding Soviet strategic forces and regaining US strategic superiority for the purpose of dictating political terms to the USSR.

They think the Administration wishes to create political and military pressures that will undermine the Soviet economy enough to make it unable to compete militarily and force internal changes in the Soviet system that would threaten its very nature.

To be sure, the Soviets do not consider the Administration to be threatening war or even seriously raising the risk of it in the foreseeable future, notwithstanding their frequent rhetoric about the "risk of war." They see the Administration as hostile and tough, but not crazy or violent; their vociferous rhetoric results from their having to face rather unexpectedly, in light of their experience in the 1970s, an adversary that rejected assumptions that implicitly accorded the USSR a global role which Moscow had come to take for granted. Nor does Moscow believe the US has the capability to accomplish any of these goals in the foreseeable future. Beyond this, moreover, the Soviets are encouraged by what they consider Administration vulnerabilities:

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They believe the US has its own economic problems and that the prevailing high interest rates, budget deficit, and trade deficit could ruin the US economy; and if they do not, it will be at the cost of a lower defense budget and worsened relations with US allies and the Third World.

They believe the American public, pluralist US political system, and the Congress impose severe constraints on the Administration's preferred policies and provide major avenues for Soviet manipulation.

Similarly, Moscow sees the NATO allies and Japan as having concerns and agendas that offer major opportunities to constrain Washington or cause the allies to diverge from Washington to Soviet gain.

The Soviets also may believe the Administration, in its second term, is somewhat more pragmatic and less ideological than it was previously insofar as they perceive US economic problems and domestic and allied pressures for positive developments in US-Soviet relations growing. It is in this light that they understand US willingness to accept last Winter the current framework of the NST discussions at Geneva and the President's interest in a Summit this Fall. Moscow also may believe that National Security Advisor McFarlane's replacement of Judge Clark in practice means a shift toward a more pragmatic policy perspective, and that Secretary Shultz, whom the Soviets view more favorably than Secretary Weinberger, has gained greater influence. They certainly have been pleased by Ambassador Kirkpatrick's departure from office.

The Soviet leadership nevertheless still fears the steadfastness of the Administration in its positions and the control over US security policy that it does have. Even more important, the Soviets believe the Administration calculates that broadly speaking it has nothing to gain in an atmosphere of greater US-Soviet cooperation and everything to lose. From Moscow's perspective, the Administration prefers an atmosphere charged with hostility, conflict, and tension because this provides an environment more conducive to higher US defense spending, tough anti-Soviet trade policies and greater allied support for them, US political-military diplomacy aimed at curbing Soviet global influence, and tough positions on arms control. To the extent the Administration engages in cooperative diplomacy with the USSR, the Soviets believe, it is the result of domestic and allied pressures. Manipulating and adding to those pressures is, in Moscow's view, the key to managing its America problem.

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If the Soviets can more satisfactorily manage the US during the next several years, they probably believe that the succeeding Administration will not be worse from their point of view, with a fair chance it will be better. The basis for such hope lies in a probable calculation that no likely successor will be more ideological in orientation than President Reagan.

Nevertheless, we have at this point no evidence beyond occasional odd comments that the Soviets are thinking seriously about attempting to wait out the Reagan Administration instead of dealing with it as best they can. Rather the Soviets appear to be feeling considerable pressure from the Administration and seeking relief from it, although they have not yet shown any willingness to make serious accommodations. They still hope to get something for free; if they become convinced they cannot, at that point they will decide whether to offer serious concessions, adopt another cause, or simply try to wait out the Administration and seek to gain unilateral concessions from its successor. The Soviets will regard improved prospects of 1988 Presidential hopefuls less ideologically hostile to the USSR than the President and of Republican losses in the 1986 elections as added pressure on the Administration to compromise its positions before it leaves office.