

DATE

6 May 88

**TRANSMITTAL SLIP**

**TO:**

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**BUILDING**

**REMARKS:**

**FROM:**

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REPLACES FORM 36-8

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The Director of Central Intelligence  
Washington, D.C. 20505

NIC #01663-88  
6 May 1988

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence  
VIA: Deputy Director of Central Intelligence  
Director, Public Affairs Office  
FROM: Fritz W. Ermarth  
Chairman  
SUBJECT: Speaking Request

1. I request your permission to accept an invitation to speak to the "Western Regional Council," an association of business executives from the western states, on the subject Gorbachev's reforms. I would be joining two other well-known academic authorities in an off-the-record (no press) panel discussion (see TAB A).

2. Since the hosts request an informal interchange rather than a prepared speech, I would expect to play my part on the basis of Bob Gates' excellent presentation of 19 January to the Dallas Council on World Affairs (see TAB B). The setting probably will offer an opportunity to get in some plugs for the Agency and the Community, where I shall take my guidance from your recent public speeches. No sensitive intelligence or policy problems should be encountered. Host will cover expenses if necessary.

*Fritz W. Ermarth*  
Fritz W. Ermarth

Attachments:  
As stated

CONCUR:

[Redacted Signature Box]

Director, Public Affairs Office

6 MAY 1988

Date

STAT

APPROVED:

*William H. Webster*

Director of Central Intelligence

11 MAY 1988

Date



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6 May 1988

SUBJECT: Speaking Request

DCI/C/NIC:FWErmarth:bha(6 May 1988)



STAT

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## Western Regional Council

May 4, 1988

### BOARD OF TRUSTEES

**W. Paul Schmechel**  
Chairman of the Board  
Chairman and  
Chief Executive Officer  
The Montana Power Company

**Thomas H. O'Leary**  
Vice Chairman of the Board  
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**Austin W. Stedham**  
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Sierra Pacific Power Company

**Bruce G. Willison**  
Chairman and  
Chief Executive Officer  
First Interstate Bank of Oregon

**Mr. Fritz W. Ermarth**  
Chairman  
National Intelligence Council  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Mr. Ermarth:

On behalf of the members of the Western Regional Council, I invite you to speak at our upcoming Spring Meeting at the Broadmoor in Colorado Springs, Colorado, on Friday morning, June 9, 1988, from 9:45 to 11:45 a.m.

The Western Regional Council (WRC) is a coalition of the Chief Executive Officers of corporations with significant business activities in the West, including financial, transportation, utility, engineering, forest product, energy, mining, accounting and other enterprises. Enclosed is a list of WRC member companies and a brief description of the Council.

During the two day WRC Spring Meeting, we traditionally meet with government, political, interest group and other officials to discuss issues of interest and concern in the West. Also, we typically include a panel on a subject unique to the Council, and have decided to have a panel on the USSR entitled: "Myth or Reality: Soviet Economic Reforms and Glasnost."

In addition to your participation, Dmitre Simes has indicated he is available, and we are hoping to have Dr. Herbert Levine as the third panelist. The panel will be done roundtable style, and our members prefer informal remarks rather than written speeches. We would propose that each panelist speak for approximately 20 minutes, followed by questions and discussion. As is the case in all of our meetings, no press will be present. Approximately sixty people will be in attendance.

Mr. Fritz W. Ermarth  
May 4, 1988  
Page 2

We would be happy to pay your expenses if that is helpful.

Please call Deedee Corradini at the Council office (801-363-7997) if you have any further questions. I do hope you will be able to join us in June.

Sincerely,



W. Paul Schmechel  
Chairman of the Board

jls

Enclosures

## Western Regional Council

### MEMBER COMPANIES

AMAX Inc.  
American Continental Corporation  
American Express Company  
American Water Development, Inc.  
Ameriwest Financial Corporation  
Amoco Production Company  
Apache Corporation  
ARCO Coal Company  
Arthur Andersen & Company  
ASARCO Incorporated  
Atlas Corporation  
Bechtel Group, Inc.  
Bonneville Pacific Corporation  
B. P. Minerals, Inc.  
Burlington Northern, Inc.  
CH2M Hill  
Chevron Corporation  
Colorado Interstate Gas Company  
Colorado National Bankshares, Inc.  
Colorado Westmoreland Company  
Ernst & Whinney  
First Interstate Bank of Oregon, N.A.  
Geneva Steel  
Hecla Mining Company  
Homestake Mining Company  
Idaho Power Company  
IRECO Incorporated  
Meadows Resources, Inc.  
Montana Power Company, The  
Morrison-Knudsen Company, Inc.  
Mountain Bell  
NERCO, Inc.  
Nevada Power Company  
Newmont Mining Corporation  
NUEXCO International Corporation  
Pacific Power & Light  
Peabody Holding Company, Inc.  
Peat, Marwick, Main & Co.  
Phelps Dodge Corporation  
Pittsburg & Midway Coal Mining Company, The  
Public Service Company of Colorado  
Public Service Company of New Mexico  
Ruckelshaus & Associates  
Sierra Pacific Power Company  
Union Pacific Resources Company  
Utah Power and Light Company  
Valley National Corporation  
Washington Water Power Company, The  
Western Energy Company  
Weyerhaeuser Company

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Purpose: to provide a common voice for the business community in the West;

to establish a balanced viewpoint between economic development and environmental preservation;

to provide a forum for the resolution of business and industry problems on a regional basis.

Objective: to recommend policies to national, state and local governments to enhance the quality of life in the West, recognizing the need for a safe and clean environment as well as a healthy and active economy.

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DALLAS COUNCIL ON WORLD AFFAIRS  
19 JANUARY 1988

WHAT IS GOING ON IN THE SOVIET UNION  
BY ROBERT M. GATES  
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

INTRODUCTION

THE SELECTION OF MIKHAIL GORBACHEV AS GENERAL SECRETARY IN THE SPRING OF 1985 SIGNALLED THE POLITBURO'S RECOGNITION THAT THE SOVIET UNION WAS IN DEEP TROUBLE -- ESPECIALLY ECONOMICALLY AND SPIRITUALLY -- TROUBLE THAT THEY RECOGNIZED WOULD SOON BEGIN TO HAVE REAL EFFECT ON MILITARY POWER AND THEIR POSITION IN THE WORLD. DESPITE ENORMOUS RAW ECONOMIC POWER AND RESOURCES, INCLUDING A \$2 TRILLION A YEAR GNP, THE SOVIET LEADERSHIP BY THE MID-1980S CONFRONTED A STEADILY WIDENING GAP WITH THE WEST AND JAPAN -- ECONOMICALLY, TECHNOLOGICALLY AND IN VIRTUALLY ALL AREAS OF THE QUALITY OF LIFE.

AS A RESULT OF THESE TRENDS, THE POLITBURO RECOGNIZED THAT THE SOVIET UNION COULD NO LONGER RISK THE SUSPENDED ANIMATION OF THE BREZHNEV YEARS, AND COALESCED AROUND AN IMAGINATIVE AND VIGOROUS LEADER WHOM THEY HOPED COULD REVITALIZE THE COUNTRY WITHOUT ALTERING THE BASIC STRUCTURE OF THE SOVIET STATE OR COMMUNIST PARTY.

IN GORBACHEV THEY HAVE GOTTEN MORE THAN THEY BARGAINED FOR. THE EXTRAORDINARY SCOPE OF HIS INITIATIVES, HIS ENERGY, AND HIS WILLINGNESS TO BREAK WITH PAST PRACTICES, HAS PROMPTED DEBATE NOT ONLY AT HOME BUT IN THE WEST AS TO GORBACHEV'S ULTIMATE OBJECTIVES. WITH ALL THE SPECULATION, IT IS WORTH TAKING A LOOK AT WHAT IS GOING ON -- WHAT HE ACTUALLY HAS DONE AND WHERE HE INTENDS TO GO.

STRENGTHENING THE LEADERSHIP AND HIS POSITION

THERE IS STRONG SUPPORT IN THE POLITBURO FOR MODERNIZATION OF THE SOVIET ECONOMY. WHILE POLITBURO POLITICS ARE ALWAYS OVER SIMPLIFIED AND OFTEN MISUNDERSTOOD IN THE WEST, FOR CLARITY AND BREVITY ONE MAY PRESUME THREE APPROACHES TO MODERNIZATION IN THE POLITBURO. THE FIRST, LED BY GORBACHEV, SEES A NEED TO UNDERTAKE A FAR-REACHING RESTRUCTURING OF STALINIST ECONOMIC POLICY AND ITS SLUGGISH CENTRALIZED BUREAUCRACY, AND, FURTHER, THAT REAL MODERNIZATION AND TECHNOLOGICAL ADVANCE REQUIRES A LOOSENING OF POLITICAL CONTROLS -- INCLUDING CONTROLS ON INFORMATION.

ANOTHER APPROACH, PROBABLY BEST REPRESENTED BY LIGACHEV, IS THAT MODERNIZATION CAN BE ACHIEVED BY REDUCING CORRUPTION, BY IMPROVING MANAGEMENT (AND MANAGERS), BY MEASURES MAINLY

DESIGNED TO MAKE THE EXISTING SYSTEM FUNCTION MORE EFFICIENTLY AND BY SOME CHANGES IN THE SYSTEM AT THE MARGIN. THOSE WHO HOLD THIS GENERAL VIEW SEE ALMOST ANY POLITICAL LOOSENING UP AS UNNECESSARY AND DANGEROUS. THE THIRD, MIDDLE APPROACH, PERHAPS LED BY PREMIER RYZHKOV, IS MORE ATTUNED TO GORBACHEV'S VIEW OF THE NEED FOR FAR-REACHING ECONOMIC REFORM -- THOUGH MORE SELECTIVE, BUT IS CONCERNED ABOUT THE DANGERS OF LOOSENING POLITICAL CONTROLS.

NONE OF THE THREE APPROACHES HAS A MAJORITY OF SUPPORT IN THE POLITBURO AND MOST INDIVIDUAL MEMBERS PROBABLY FIND THEMSELVES TAKING DIFFERENT POSITIONS FROM ISSUE TO ISSUE. NEARLY EVERY STEP GORBACHEV SEEKS TO TAKE TOWARD STRUCTURAL ECONOMIC OR POLITICAL CHANGE IS A STRUGGLE, AND SUPPORT IN THE POLITBURO FOR HIS INITIATIVES SHIFTS CONSTANTLY. FOR EXAMPLE, HIS PROPOSALS FOR ECONOMIC CHANGE AND FOR CONVENING A HISTORIC PARTY CONFERENCE WERE REJECTED IN JANUARY 1987, BUT ADOPTED IN JUNE. AND, DESPITE SIGNIFICANT SUCCESS IN JUNE, HIS PROGRAM HAD AGAIN RUN INTO TROUBLE BY FALL. BY YEAR'S END, HE WAS DISTANCING HIMSELF FROM THE RADICAL APPROACH TO REFORM HE HAD EMBRACED EARLIER IN FAVOR OF MORE POLITICALLY TENABLE MIDDLE GROUND. SO, HE FACES A DAY TO DAY STRUGGLE EVEN IN A POLITBURO WHERE A MAJORITY OF MEMBERS ARE NEW SINCE BREZHNEV'S DEATH. AND, AS WE SAW IN NOVEMBER WITH THE EXPULSION OF MOSCOW PARTY BOSS YELTSIN, EVEN HIS ALLIES CAN BE A HINDRANCE IN THE DELICATE POLITICAL BALANCING AND BARGAINING HE MUST PURSUE TO ACHIEVE PROGRESS.

BELOW THE POLITBURO, SUPPORT FOR CHANGE -- AND ESPECIALLY FAR-REACHING CHANGE -- IS EVEN SHAKIER. OPPOSITION FROM THE PARTY CENTRAL COMMITTEE AND PARTY APPARATUS IS A CRITICAL PROBLEM FOR GORBACHEV. SENIOR LEVELS OF THE ECONOMIC BUREAUCRACY STAND TO LOSE THE MOST IF GORBACHEV MOVES TO DECENTRALIZE THE SYSTEM AND ARE IMPORTANT OBSTACLES TO IMPLEMENTATION OF HIS PROGRAM. WHILE MANY SENIOR OFFICIALS OF THE NATIONAL SECURITY BUREAUCRACIES UNDERSTAND THE CONNECTION BETWEEN A STRONG DEFENSE AND A HEALTHY ECONOMY, THEY ALSO ARE UNHAPPY WITH THE IDEA OF GREATER CONSTRAINTS ON DEFENSE SPENDING AND SKEPTICAL OF PROMISED BENEFITS. OTHERS, FOR EXAMPLE THE KGB, ARE CONCERNED ABOUT THE POTENTIAL FOR INSTABILITY AT HOME AND IN EASTERN EUROPE CREATED BY ANY RELAXATION OF POLITICAL CONTROLS. THE SOVIET POPULATION SEEMS TO BE PASSIVELY SUPPORTIVE, BUT THEY HAVE SEEN CAMPAIGNS FOR CHANGE COME AND GO. THEY ARE SKEPTICAL THAT GORBACHEV'S EFFORTS WILL PRODUCE LASTING RESULTS OR EVEN IMMEDIATE PAYOFFS. THE INTELLIGENTSIA ARE PROBABLY THE ONLY GROUP THAT COMES CLOSE TO GIVING WHOLE-HEARTED SUPPORT.

IN SUM, GORBACHEV STILL VIGOROUSLY SUPPORTS RESTRUCTURING, HAS MADE HEADWAY IN OBTAINING POLITBURO SUPPORT, BUT FACES A LARGELY HOSTILE PARTY AND STATE BUREAUCRACY AND A CONSERVATIVE AND APATHETIC POPULATION. EVERY RUSSIAN AND SOVIET LEADER FROM PETER THE GREAT TO THE PRESENT SEEKING CHANGE OR MODERNIZATION

HAS FACED FORMIDABLE OPPOSITION. BUT, UNLIKE THEM, GORBACHEV REALISTICALLY CANNOT RESORT TO WIDE-SCALE TERROR AND VIOLENCE TO ELIMINATE THOSE WHO STAND IN HIS WAY. HE MUST RELY ON A LONG TERM, LARGELY NON-VIOLENT PURGE OF PARTY AND BUREAUCRACY AND PLACEMENT OF HIS SUPPORTERS IF HE IS TO REMAIN IN POWER AND TO SUCCEED AT ALL. THE CENTRAL QUESTION IS WHETHER HE WILL GET ENOUGH TIME.

### REJUVENATION OF THE ELITE

A PURGE IS UNDERWAY. EIGHT MEMBERS OF THE POLITBURO ARE NEW SINCE GORBACHEV BECAME GENERAL SECRETARY. FORTY PERCENT OF THE CENTRAL COMMITTEE IS NEW SINCE HE ASSUMED THE REINS.

THERE HAVE BEEN OTHER LARGE SCALE PERSONNEL REPLACEMENTS.

- OF THE ELEVEN OTHER PARTY SECRETARIES, NINE ARE NEW GORBACHEV APPOINTEES.
- 59 OF 105 MEMBERS OF THE USSR COUNCIL OF MINISTERS ARE NEW SINCE GORBACHEV ASSUMED POWER.
- HE HAS APPOINTED TWELVE NEW DEPUTY CHAIRMEN OF THE COUNCIL OF MINISTERS OUT OF FOURTEEN.
- 47% OF THE OFFICIALS IN THE AGRO-INDUSTRIAL COMPLEX HAVE BEEN REPLACED.



-- 15 OF 20 CENTRAL COMMITTEE DEPARTMENT CHIEFS HAVE BEEN REPLACED.

-- 88 OF 157 REGIONAL FIRST SECRETARIES HAVE BEEN REPLACED.

BEYOND A SENSE OF PERSONAL JEOPARDY, MANY WHO OPPOSE GORBACHEV'S POLICIES BELIEVE THOSE POLICIES TO BE INHERENTLY MISTAKEN AND BAD FOR THE COUNTRY, THAT THEY ARE NOT IDEOLOGICALLY SOUND, AND THAT THEY COULD THREATEN PARTY CONTROL.

#### MODERNIZATION OF THE ECONOMY

ALTHOUGH BY 1985 GORBACHEV HAD BEEN ON THE POLITBURO FOR SIX YEARS AND A CENTRAL COMMITTEE MEMBER FOR 14 YEARS, HE NOW ADMITS THAT WHEN HE BECAME GENERAL SECRETARY HE UNDERESTIMATED THE SEVERITY OF THE ECONOMIC PROBLEMS AFFLICTING THE SOVIET UNION. ACCORDINGLY, HE SEEMS TO BE INCREASINGLY RECEPTIVE TO MORE RADICAL PROPOSALS FOR CHANGE. MANY OF HIS RECENT REMARKS SHOW INCREASING FRUSTRATION OVER THE LIMITS IMPOSED ON HIS FREEDOM OF MANEUVER BY THE STALINIST-ERA ECONOMIC DOGMA HE HAS INHERITED.

ESSENTIALLY, HE SEEMS TO HAVE ADOPTED A THREE STEP APPROACH TO REVIVING THE ECONOMY. INITIALLY, GORBACHEV RELIED ON A

COMBINATION OF MEASURES TO STRENGTHEN PARTY CONTROL, IMPROVE WORKER ATTITUDES, AND WEED OUT INCOMPETENCE -- WHAT HE REFERS TO AS "HUMAN FACTOR" GAINS. THE MOST VISIBLE AND DRAMATIC PART OF THESE EFFORTS HAS BEEN HIS CAMPAIGNS FOR DISCIPLINE AND AGAINST CORRUPTION AND ALCOHOLISM. THESE MEASURES ARE INTENDED TO INCREASE PRODUCTIVITY AND GNP SIMPLY THROUGH HARDER AND MORE DISCIPLINED WORK FOR TWO OR THREE YEARS UNTIL MOMENTUM CAN BE SUSTAINED BY THE SECOND AND THIRD STEPS -- GENUINE IMPROVEMENTS IN INDUSTRIAL PRODUCTIVITY THROUGH MODERNIZATION OF THE COUNTRY'S PLANTS AND EQUIPMENT, AND THROUGH ECONOMIC AND POLITICAL REFORM.

THE JUNE 1987 CENTRAL COMMITTEE PLENUM PROVIDED THE clearest EVIDENCE SO FAR THAT GORBACHEV SEEKS A RADICAL OVERHAUL OF THE STALINIST COMMAND ECONOMY. THE BLUEPRINT FOR REFORM ADOPTED IN JUNE CONTAINS THE OUTLINES OF A NEW, MORE MARKET BASED MECHANISM FOR RUNNING THE ECONOMY THAT I BELIEVE GORBACHEV WILL PUSH.

TAKEN AS A WHOLE, THE REFORM MEASURES PUT IN PLACE IN GORBACHEV'S TWO AND A HALF YEAR TENURE ARE AN IMPRESSIVE PACKAGE THAT IN SCOPE AND SPECIFICITY GOES WELL BEYOND THE SO-CALLED KOSYGIN REFORMS ADOPTED IN 1965. NEVERTHELESS, THE REFORMS DO NOT GO NEARLY FAR ENOUGH. THE REFORM PACKAGE AS NOW CONSTITUTED IS A SET OF HALF MEASURES THAT LEAVES IN PLACE THE PILLARS OF SOCIALIST CENTRAL PLANNING.

BECAUSE OF INTERNAL CONTRADICTIONS AND THE RETENTION OF SO MANY ELEMENTS OF THE PRESENT SYSTEM, THE REFORMS HAVE YET TO BE IMPLEMENTED. EVEN IF FULLY IN PLACE IN 1991 AS INTENDED, THEY WILL NOT CREATE THE DYNAMIC ECONOMIC MECHANISM THAT GORBACHEV SEEKS AS THE MEANS TO REDUCE OR CLOSE THE TECHNOLOGICAL GAP WITH THE WEST. INSTEAD, THEY SPELL TROUBLE FOR HIS ECONOMIC PROGRAM GENERALLY. INDEED, AGGRESSIVE IMPLEMENTATION OF REFORMS IS CAUSING SERIOUS DISRUPTIONS AND TURBULENCE IN THE ECONOMY AND WILL CAUSE MORE AS THE BUREAUCRATIC FACTIONS ATTEMPT TO ADJUST TO THE MANY CHANGES BEING IMPOSED FROM ABOVE. SPECIFICALLY:

- GORBACHEV'S QUALITY CONTROL PROGRAM IS DISRUPTING PRODUCTION.
  
- NEW INITIATIVES IN ORGANIZATION AND MANAGEMENT ARE CREATING CONFUSION AND APPREHENSION IN SOME QUARTERS, AND BUREAUCRATIC FOOT-DRAGGING AND OUTRIGHT RESISTANCE IN OTHERS.
  
- DESPITE CONSIDERABLE RHETORIC, NONE OF THE PROPOSALS SO FAR GREATLY CHANGES THE SYSTEM OF ECONOMIC INCENTIVES THAT DISCOURAGE MANAGEMENT INNOVATION AND TECHNOLOGICAL CHANGE.

- A SHARP DECLINE IN SOVIET HARD CURRENCY EARNINGS (THE RESULT OF FALLING OIL PRICES AND THE DEPRECIATION OF THE DOLLAR) WILL LIMIT MUCH NEEDED SPECIALIZED IMPORTS FROM THE WEST.
  
- FINALLY, FOR A MODERNIZATION DRIVE THAT DEPENDS IN SUBSTANTIAL MEASURE ON HARDER WORK, THERE ARE FEW REWARDS FOR SUCH WORK. UNSATISFIED CONSUMER DEMAND IS REFLECTED IN CONTINUING LONG LINES IN STATE STORES AND RISING PRICES IN THE COLLECTIVE FARM MARKETS.

BEYOND THE SPECIFIC DIFFICULTIES FACING GORBACHEV'S ECONOMIC PROGRAM, THERE ARE BROADER REASONS FOR THE SHARP CONTRAST BETWEEN GORBACHEV'S RADICAL RHETORIC AND HIS MORE MODEST RECORD OF ACCOMPLISHMENT TO DATE:

- IT IS IN PART A MATTER OF TIMING. GORBACHEV, WHO HIMSELF CHARACTERIZED PROGRESS ON THE ECONOMIC FRONT SO FAR AS "INSIGNIFICANT" AT THE JUNE 1987 PLENUM, APPRECIATES THAT IMPLEMENTING HIS VISION WILL TAKE YEARS, IF NOT DECADES.
  
- A SERIES OF OBSTACLES -- FROM POLITICAL RESISTANCE TO ECONOMIC CONSTRAINTS -- HAVE SLOWED GORBACHEV'S MOMENTUM AND FORCED HIM TO COMPROMISE.

-- BUT DESIGN FLAWS, GAPS, AND CONTRADICTIONS IN THE NEW LEADERSHIP'S APPROACH, IN MY VIEW, REMAIN AN ESSENTIAL PART OF THE PROBLEM.

THUS, WHILE IMPORTANT BATTLES HAVE BEEN WON IN PRINCIPLE, THE WAR TO CHANGE FUNDAMENTALLY THE MAIN PILLARS OF THE STALINIST ECONOMIC SYSTEM MUST STILL BE FOUGHT AND WON. AND, AS GORBACHEV PERCEIVES THAT THE CAUTIOUS CHANGE THUS FAR ACCOMPLISHED IS INADEQUATE TO ACHIEVE HIS GOALS, HE MAY SEE THE NEED TO TAKE MORE AND MORE RADICAL MEASURES AND DISRUPTIVE REFORMS IN ORDER TO MAKE FURTHER PROGRESS. THIS, IN TURN, WILL GENERATE FURTHER OPPOSITION AND CONTROVERSY.

#### POLITICAL REFORM

GORBACHEV'S PLANS FOR THE POLITICAL SYSTEM REMAIN LESS WELL-DEFINED THAN HIS ECONOMIC AGENDA. BUT HE AND HIS ALLIES HAVE SHOWN A GROWING CONVICTION THAT THE REVITALIZATION OF SOCIETY AND ECONOMY CAN SUCCEED ONLY IF THERE ARE SIGNIFICANT CHANGES IN THE POLITICAL ARENA AS WELL. THE REGIME APPEARS TO BE MOVING ON AT LEAST THREE FRONTS TO CREATE THE POLITICAL CLIMATE IT SEEKS:

-- THE FIRST IS IDEOLOGY. GORBACHEV IS FRUSTRATED WITH THE STRAITJACKET OF INHERITED DOCTRINE THAT OPPONENTS OF CHANGE HAVE SOUGHT TO IMPOSE ON HIM. GORBACHEV TOLD THE JANUARY 1987 CENTRAL COMMITTEE PLENUM, THAT "THE THEORETICAL CONCEPTS OF SOCIALISM REMAINED AT THE LEVEL OF THE 1930S AND 1940S." HE SEEKS TO EXPAND HIS ROOM TO MANEUVER BY AN INCREASINGLY OPEN ATTACK ON STAGNATION IN IDEOLOGY AND BY DEPICTING HIS OWN PROPOSALS AS AN EFFORT TO RETURN TO LENIN'S ORIGINAL INTENT.

-- THE SECOND FRONT IS DEMOCRATIZATION. GORBACHEV'S CAMPAIGN FOR "DEMOCRATIZATION" IS DESIGNED TO REVITALIZE THE COUNTRY'S POLITICAL INSTITUTIONS. GORBACHEV WANTS TO SANCTION MULTIPLE CANDIDATES FOR LOCAL AND REGIONAL ELECTIONS IN THE PARTY AND STATE APPARATUS BOTH TO HELP DISLODGE CONSERVATIVE OFFICIALS WHO ARE RESISTING HIS REFORMS BUT ALSO TO SANCTION A MEASURE OF DIVERSITY AND DEBATE. MOST OF THIS IS RHETORIC; THERE HAVE BEEN ONLY A FEW EXPERIMENTS ALONG THESE LINES, AND IN RECENT MONTHS EVEN GORBACHEV HAS BACKED AWAY FROM SOME OF THE MORE CONTROVERSIAL ASPECTS OF HIS "DEMOCRATIZATION" CAMPAIGN.

-- THE THIRD FRONT IS GLASNOST, OR OPENNESS. TIGHT CENTRAL CONTROLS OVER THE FLOW OF IDEAS AND INFORMATION LIE AT THE HEART OF THE SOVIET SYSTEM. REMARKS BY GORBACHEV AND HIS KEY ALLIES INDICATE THAT THE NEW LEADERSHIP BELIEVES THAT THIS APPROACH IS INCOMPATIBLE WITH AN INCREASINGLY WELL-EDUCATED SOCIETY, COMPLEX ECONOMY AND THE POLITICAL NEEDS OF THE MOMENT.

I SEE SEVERAL MOTIVES BEHIND GLASNOST, NOT LEAST OF WHICH IS USE OF AN APPARENT LIBERALIZING FORCE TO ACHIEVE SOME RATHER OLD-FASHIONED OBJECTIVES.

GLASNOST IS BEING USED TO CRITICIZE OFFICIALS GORBACHEV SEES AS HOSTILE AND TO PRESSURE THEM TO GET WITH THE PROGRAM.

IT IS BEING USED TO HIGHLIGHT PROBLEMS HE WANTS TO ATTACK -- SUCH AS ALCOHOLISM AND DRUG ABUSE -- IN ORDER TO MOBILIZE SOCIETY BEHIND HIS CAMPAIGNS.

HE HOPES TO USE THE ATMOSPHERE OF GREATER OPENNESS TO COOPT INTELLECTUALS AND PARTICULARLY ENGINEERS AND SCIENTISTS TO BE FULL PARTNERS IN THE ATTEMPT TO MODERNIZE THE ECONOMY -- TO OVERCOME THEIR CYNICISM.

BY ALLOWING UNORTHODOX CULTURAL WORKS TO APPEAR, GORBACHEV IS HOPING TO REDUCE THE INCENTIVE TO BYPASS OFFICIAL ORGANS AND PUBLISH MATERIALS IN THE UNDERGROUND PRESS.

IT ENABLES THE REGIME TO COMPETE WITH FOREIGN AND OTHER UNOFFICIAL SOURCES OF INFORMATION. SINCE THE POPULATION WILL HEAR ABOUT RIOTING IN KAZAKHSTAN AND THE DISASTER AT CHERNOBYL ANYWAY, GORBACHEV BELIEVES IT IS BEST TO PRINT THE NEWS AND PUT AN OFFICIAL SPIN ON IT.

FINALLY, HE INTENDS TO LEGITIMIZE BROADER DISCUSSION OF PROBLEMS AND POSSIBLE SOLUTIONS THAN PERMITTED HERETOFORE IN ORDER TO BREAK THE BACK OF DOMESTIC RESISTANCE AND INCREASE HIS ROOM FOR MANEUVER AT HOME. FURTHER, HE SEES THE EXPANSION OF POLITICAL DEBATE AS A NECESSARY STEP TO ACHIEVE HIS LONGER RANGE GOALS.

TO KEEP GLASNOST IN PERSPECTIVE, IT IS IMPORTANT TO OBSERVE THAT THERE HAS BEEN NO DIRECT CRITICISM OF GORBACHEV PERSONALLY OR HIS LEADERSHIP. SIMULTANEOUSLY, UNDER HIS AUTHORITY, THERE HAS BEEN CONTINUED REPRESSION OF SOME UNOFFICIAL CHANNELS OF



INFORMATION, AND SEVERE REACTIONS TO NATIONALISTIC DEMONSTRATIONS SUCH AS IN LATVIA. WITH RARE EXCEPTIONS, ONLY THOSE IN GENERAL AGREEMENT WITH THE CENTRAL THRUST OF GORBACHEV'S POLICIES ARE ALLOWED TO VOICE THEIR VIEWS. IN SHORT, THERE HAS BEEN A MORE OPEN AIRING OF PROBLEMS, BUT ONLY A VERY LIMITED EXPANSION OF POLITICAL DEBATE. EVEN THIS HAS LED TO CONTROVERSY OVER THE POLICY ITSELF AND OPEN CRITICISM BY OTHERS IN THE POLITBURO THAT "OPENNESS" HAS GONE TOO FAR. GORBACHEV HIMSELF HAS CAUTIONED MEDIA OFFICIALS NOT TO GO TOO FAR LEST THEY UNDERMINE SOCIALIST VALUES OR CREATE A CLIMATE OF DISRESPECT FOR PARTY OFFICIALS. YET, GORBACHEV ALREADY HAS SET LOOSE FORCES THAT WILL BE IMMENSELY DIFFICULT AND PAINFUL TO LEASH -- AS MUST HAPPEN AT SOME POINT.

WHILE GORBACHEV'S BOLD POLITICAL MOVES AND RADICAL RHETORIC HAVE SHAKEN THE SOVIET SYSTEM, HE HAS NOT YET CHANGED IT. THE REGIME'S ACTUAL REFORM INITIATIVES HAVE SO FAR BEEN CAREFULLY CIRCUMSCRIBED TO INSURE THAT THEY DO NOT DEPART TOO BOLDLY FROM EXISTING APPROACHES. THE ULTIMATE FATE OF HIS VISION OF REFORM WILL DEPEND ON HOW SUCCESSFUL HE IS IN PUSHING AHEAD WITH ITS IMPLEMENTATION OVER THE NEXT DECADE IN THE FACE OF DESIGN FLAWS, ECONOMIC DISRUPTION, TREMENDOUS OPPOSITION AND, WORSE, APATHY. BUREAUCRATIC AS WELL AS POPULAR HOSTILITY IS LIKELY TO GROW AS DISRUPTION AND DISLOCATION BROUGHT ABOUT BY CHANGE

RESULT IN ECONOMIC SETBACKS AND, IN ALL LIKELIHOOD, A WORSENING SITUATION FOR THE CONSUMER. WHAT GORBACHEV IS SUCCESSFULLY CHANGING IS THE OFFICIALDOM OF THE PARTY AND STATE BUREAUCRACY. ONCE AGAIN, THE PURGE HAS BECOME THE VEHICLE FOR CONSOLIDATING AND ENHANCING PERSONAL POWER, AS WELL AS FOR IMPLEMENTING CHANGE.

### IMPLICATIONS FOR FOREIGN POLICY

THERE SEEMS TO BE GENERAL AGREEMENT IN THE POLITBURO THAT, FOR NOW, ECONOMIC MODERNIZATION REQUIRES A MORE PREDICTABLE, IF NOT BENIGN, INTERNATIONAL ENVIRONMENT. THE ELEMENTS OF FOREIGN POLICY THAT SPRING FROM DOMESTIC ECONOMIC WEAKNESS ARE A MIX OF NEW INITIATIVES AND LONGSTANDING POLICIES. FIRST, GORBACHEV WANTS TO ESTABLISH A NEW AND FAR-REACHING DETENTE FOR THE FORESEEABLE FUTURE TO OBTAIN TECHNOLOGY, INVESTMENT, TRADE AND, ABOVE ALL, TO AVOID MAJOR NEW MILITARY EXPENDITURES WHILE THE SOVIET ECONOMY IS REVIVED. GORBACHEV MUST SLOW OR STOP AMERICAN MILITARY MODERNIZATION, ESPECIALLY SDI, THAT THREATENS NOT ONLY SOVIET STRATEGIC GAINS OF THE LAST GENERATION BUT WHICH ALSO, IF CONTINUED, WILL FORCE THE USSR TO DEVOTE HUGE NEW RESOURCES TO THE MILITARY IN A HIGH TECHNOLOGY COMPETITION FOR WHICH THEY ARE ILL-EQUIPPED. THE SOVIETS KNOW THAT DETENTE IN THE EARLY 1970S CONTRIBUTED SIGNIFICANTLY TO DOWNWARD PRESSURE ON WESTERN DEFENSE BUDGETS, SLOWED MILITARY

MODERNIZATION, WEAKENED RESOLVE TO COUNTER SOVIET ADVANCES IN THE THIRD WORLD, AND OPENED TO THE USSR NEW OPPORTUNITIES FOR WESTERN TECHNOLOGY AND ECONOMIC RELATIONS.

SECOND, A LESS VISIBLE BUT ENDURING ELEMENT OF FOREIGN POLICY -- EVEN UNDER GORBACHEV -- IS THE CONTINUING EXTRAORDINARY SCOPE AND SWEEP OF SOVIET MILITARY MODERNIZATION AND WEAPONS RESEARCH AND DEVELOPMENT. DESPITE SOVIET RHETORIC, WE STILL SEE NO LESSENING OF THEIR WEAPONS PRODUCTION. AND, FURTHER, SOVIET RESEARCH ON NEW, EXOTIC WEAPONS SUCH AS LASERS AND THEIR OWN VERSION OF SDI CONTINUES APACE. VIRTUALLY ALL OF THEIR PRINCIPAL STRATEGIC WEAPONS WILL BE REPLACED WITH NEW, MORE SOPHISTICATED SYSTEMS BY THE MID-1990S, AND A NEW STRATEGIC BOMBER IS BEING ADDED TO THEIR ARSENAL FOR THE FIRST TIME IN DECADES. THEIR DEFENSES AGAINST US WEAPONS ARE BEING STEADILY IMPROVED, AS ARE THEIR CAPABILITIES FOR WAR-FIGHTING. AS OUR DEFENSE BUDGET DECLINES AGAIN, THEIRS CONTINUES TO GROW, ALBEIT SLOWLY. GORBACHEV IS PREPARED TO EXPLORE -- AND, I THINK, REACH -- SIGNIFICANT REDUCTIONS IN WEAPONS, BUT PAST PRACTICE SUGGESTS THE SOVIETS WILL SEEK AGREEMENTS THAT PROTECT EXISTING ADVANTAGES, LEAVE OPEN ALTERNATIVE AVENUES OF WEAPONS DEVELOPMENT, OFFER COMMENSURATE POLITICAL GAINS, OR TAKE ADVANTAGE OF US UNILATERAL RESTRAINT OR CONSTRAINTS (SUCH AS OUR UNWILLINGNESS IN THE 1970S TO BUILD A LIMITED ABM AS PERMITTED BY THE TREATY).

THE THIRD ELEMENT OF GORBACHEV'S FOREIGN POLICY IS CONTINUED AGGRESSIVE PURSUIT OF SOVIET OBJECTIVES AND PROTECTION OF SOVIET CLIENTS IN THE THIRD WORLD. UNDER GORBACHEV, THE SOVIETS AND CUBANS ARE NOW PROVIDING MORE THAN A BILLION DOLLARS A YEAR IN ECONOMIC AND MILITARY ASSISTANCE TO NICARAGUA; MORE THAN A BILLION DOLLARS WORTH OF MILITARY EQUIPMENT WAS SENT TO VIETNAM, LAOS AND CAMBODIA IN THE FIRST SIX MONTHS OF LAST YEAR; MORE THAN FOUR BILLION DOLLARS IN MILITARY EQUIPMENT HAS BEEN SENT TO ANGOLA SINCE 1984. AND, OF COURSE, CUBA GETS ABOUT FIVE BILLION DOLLARS IN SOVIET SUPPORT EACH YEAR. AT A TIME OF ECONOMIC STRESS AT HOME, THESE COMMITMENTS SPEAK CLEARLY ABOUT SOVIET PRIORITIES. THERE HAS BEEN NO REPUDIATION OF THE BREZHNEV DOCTRINE.

THE FOURTH ELEMENT OF GORBACHEV'S FOREIGN POLICY IS NEW AND DYNAMIC DIPLOMATIC INITIATIVES TO WEAKEN TIES BETWEEN THE US AND ITS WESTERN ALLIES, CHINA, JAPAN, AND THE THIRD WORLD; TO PORTRAY THE SOVIET GOVERNMENT AS COMMITTED TO ARMS CONTROL AND PEACE; AND TO SUGGEST MOSCOW'S INTEREST IN DIPLOMATIC SOLUTIONS TO AFGHANISTAN AND CAMBODIA. WE CAN AND SHOULD EXPECT NEW AND BOLDER INITIATIVES INCLUDING CONVENTIONAL FORCE REDUCTIONS -- POSSIBLY UNILATERAL -- THAT WILL SEVERELY TEST ALLIANCE COHESION. SIMILARLY, NEW INITIATIVES WITH CHINA AND JAPAN WILL BE ATTEMPTED TO OVERCOME BILATERAL OBSTACLES TO IMPROVED RELATIONS AND TO EXPLOIT PROBLEMS BETWEEN THEM AND THE US. AND, IN THE THIRD WORLD, THEY WILL SEEK TO TAKE ADVANTAGE OF ANY RELAXATION OF US VIGILANCE OR CONSTANCY.

THESE NEW INITIATIVES ALSO ARE INTENDED TO BREAK SOVIET FOREIGN POLICY OUT OF LONGSTANDING TACTICAL DEADENDS AND TO MAKE THE SOVIET UNION A MORE EFFECTIVE, FLEXIBLE AND VIGOROUS PLAYER THROUGHOUT THE WORLD. THE RESULT IS LIKELY TO BE A SOVIET POLITICAL CHALLENGE TO THE US ABROAD THAT COULD POSE GREATER PROBLEMS FOR OUR INTERNATIONAL POSITION, ALLIANCES AND RELATIONSHIPS IN THE FUTURE THAN THE HERETOFORE ONE DIMENSIONAL SOVIET MILITARY CHALLENGE. CONSIDERABLE NEW THINKING, FLEXIBILITY AND POLITICAL AGILITY WILL BE NEEDED ON OUR OWN PART TO ANTICIPATE AND COUNTER SOVIET INITIATIVES AND TO AVOID BEING OUTMANEUVERED AND PLACED CONSISTENTLY ON THE DEFENSIVE.

### CONCLUSIONS

THERE IS A NEW DYNAMIC AT WORK INSIDE THE SOVIET UNION AND IN SOVIET DIPLOMACY. WHILE ACTUAL CHANGES IN THE ECONOMY OR POLITICAL LIFE OF THE SOVIET UNION SO FAR HAVE BEEN MODEST, WHAT GORBACHEV ALREADY HAS SET IN MOTION REPRESENTS A POLITICAL EARTHQUAKE. ONE CANNOT, IT SEEMS TO ME, DISMISS WHAT HE IS SAYING OR ATTEMPTING AS SIMPLY NOISE OR MORE OF THE SAME, BETTER PACKAGED. HE IS PULLING ALL OF THE LEVERS OF CHANGE IN A SOCIETY AND CULTURE THAT HISTORICALLY HAS RESISTED CHANGE -- AND WHERE CHANGE USUALLY HAS BEEN VIOLENT AND WRENCHING. THE FORCES HE HAS UNLEASHED ARE POWERFUL BUT SO ARE THE PEOPLE AND

INSTITUTIONS HE HAS ANTAGONIZED -- THUS SETTING IN MOTION A TREMENDOUS POWER STRUGGLE AND PURGE NO LESS DRAMATIC FOR THE ABSENCE OF SHOW TRIALS AND TERROR.

THE STRUGGLE IS ESSENTIALLY BETWEEN THOSE SEEKING TO PRESERVE THE STATUS QUO -- AND THEIR POWER IN IT -- AND GORBACHEV AND HIS ALLIES WHO SEEK TO REPLACE THOSE NOW IN POWER AND, IRONICALLY, TO TURN THE CLOCK BACK, BACK BEFORE STALINISM TO LENINISM. AS THE SOVIETS SAY, IT IS NOT BY ACCIDENT THAT GORBACHEV CONSTANTLY REFERS TO LENIN OR THAT OTHERS SPEAK OF THE OSSIFIED IDEOLOGY OF THE 1930S AND 1940S. GORBACHEV SEEKS TO RESTORE IN THE USSR A SYSTEM IN WHICH SOME -- THOUGH CERTAINLY NOT ALL -- ELEMENTS OF THE STALINIST ECONOMIC STRUCTURE AND BUREAUCRACY ARE ELIMINATED THUS OPENING THE WAY TO GREATER FLEXIBILITY AND INNOVATION AND THEREBY TO MODERNIZATION AND IMPROVED PERFORMANCE.

IN THE POLITICAL ARENA, GORBACHEV'S LENINISM MEANS THE CONTINUED POLITICAL MONOPOLY OF THE COMMUNIST PARTY, ITS ROLE AS SOLE ARBITER OF THE NATIONAL AGENDA, ITS CONTROL OF ALL THE LEVERS OF POWER, AND ITS ULTIMATE AUTHORITY OVER ALL ASPECTS OF NATIONAL LIFE -- INCLUDING THE LAW. IT ALSO MEANS A MASSIVE PURGE OF THE PARTY AND GOVERNMENT BUREAUCRACY, NOW UNDERWAY. GORBACHEV'S OWN BOOK MAKES CLEAR THAT "DEMOCRATIZATION" SOVIET-STYLE DOES NOT MEAN MOVING THE USSR AWAY FROM MARXISM-LENINISM AND ITS ESSENTIALLY TOTALITARIAN STRUCTURE. I, FOR ONE, DO NOT FIND A RETURN TO LENINISM COMFORTING.

WESTERNERS FOR CENTURIES HAVE HOPED REPEATEDLY THAT RUSSIAN ECONOMIC MODERNIZATION AND POLITICAL REFORM -- EVEN REVOLUTION -- SIGNALLED AN END TO DESPOTISM. REPEATEDLY SINCE 1917, THE WEST HAS HOPED THAT DOMESTIC CHANGES IN THE USSR WOULD LEAD TO CHANGES IN COMMUNIST COERCIVE RULE AT HOME AND AGGRESSIVENESS ABROAD. THESE HOPES, DASHED TIME AND AGAIN, HAVE BEEN REVIVED BY GORBACHEV'S AMBITIOUS DOMESTIC AGENDA, INNOVATIVE FOREIGN POLICY AND PERSONAL STYLE.

THERE IS A CHANCE -- A VERY SMALL ONE IN MY VIEW -- THAT GORBACHEV IS SETTING LOOSE FORCES THAT NEITHER HE NOR THE PARTY WILL BE ABLE TO CONTROL AND THAT, CONTRARY TO THEIR INTENTIONS AND EXPECTATIONS, ULTIMATELY MAY BRING A FUNDAMENTAL AND WELCOME TRANSFORMATION OF THE SOVIET UNION AT HOME AND ABROAD. AS WE HOPE THAT THIS REMOTE POSSIBILITY SOMEDAY COMES TO PASS, I WOULD ADVISE, IN OLIVER CROMWELL'S FAMOUS WORDS, THAT WE "TRUST IN GOD, BUT KEEP YOUR POWDER DRY."

ENDURING CHARACTERISTICS OF SOVIET GOVERNANCE AT HOME AND POLICY ABROAD MAKE IT CLEAR THAT -- WHILE THE CHANGES UNDERWAY OFFER OPPORTUNITIES FOR THE UNITED STATES AND FOR A RELAXATION OF TENSIONS -- GORBACHEV INTENDS IMPROVED SOVIET ECONOMIC PERFORMANCE, GREATER POLITICAL VITALITY AT HOME, AND MORE DYNAMIC DIPLOMACY TO MAKE THE USSR A MORE COMPETITIVE AND STRONGER ADVERSARY IN THE YEARS AHEAD. WE MUST NOT MISLEAD OURSELVES OR ALLOW OURSELVES TO BE MISLED INTO BELIEVING OTHERWISE.

HOW THEN DO I ANSWER WHETHER IT IS IN OUR INTEREST FOR GORBACHEV TO SUCCEED OR FAIL? I BELIEVE THAT TO THE DEGREE HE IS EVEN MODESTLY SUCCESSFUL THE UNITED STATES WILL FACE IN THE 1990S AND BEYOND A MILITARILY POWERFUL, DOMESTICALLY MORE VITAL AND POLITICALLY MORE ADROIT SOVIET UNION -- A SOVIET UNION WHOSE AGGRESSIVE OBJECTIVES ABROAD AND ESSENTIAL TOTALITARIANISM AT HOME REMAIN LARGELY UNCHANGED. I BELIEVE A STILL LONG COMPETITION AND STRUGGLE WITH THE SOVIET UNION LIE BEFORE US. SEEING THIS REALITY CLEARLY -- THE OPPORTUNITIES AS WELL AS THE DANGERS -- WILL BE AN EXTRAORDINARY CHALLENGE FOR THE UNITED STATES AND THE WESTERN DEMOCRACIES IN THE YEARS AHEAD.



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6 May 1988

EYES ONLY

MEMORANDUM FOR: NIO/Warning

FROM: Fritz W. Ermarth  
Chairman, NIC

SUBJECT: Bi-Weekly Warning Report for 4 May

I've sent this report forward, but want to give you a critique on some substantive, procedural, and editorial points I think are important to make it a better and more influential product. Sorry it's so long, but I felt the need to ruminate.

As in our previous discussions, I continue to have problems identifying in this kind of material what warning is. I don't think we should get too hung up about this, but we have to continue to think about it. Warning has to be other than a general "heads up" function; that is what everybody in the intelligence business does. This does not mean that you should not be performing a "heads up" function; everybody else in the intelligence business has a warning function too. But if we are to label it "warning", I think we need to meet a working definition like the following: Warning is timely indication of an event or development of sufficient specificity, probability, and importance for the US that, should the warning be believed, competent policymakers would/should want to take some actions different from those currently being taken to avert or exploit the event or development.

Some further elaboration: Warning can be about either negative (threatening) or positive (welcome) developments. But it does, it seems to me, have to have policy/action implications within the competence of the people being warned...otherwise its not warning, but entertainment. Moreover, I think the warner has to have a fairly clear notion as to what the policy/action possibilities are, at least some of them, in order to provide intelligible warning.

[REDACTED]

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[REDACTED] Iranian and Iraqi chemical attacks on cities are another example. If we accept the warning, we probably want to get US diplomats out of Baghdad. We may want to crank up a diplomatic campaign to deter this. Or, if we believe it might lead to an end to the war, we may want to let it happen.

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By this standard, I suspect the note about trouble in East Europe is not warning. It is too diffuse in time, space, and content to have action implications that I can think of. Although -- to contradict myself -- I note in the paper today that the Administration is already being badgered by speculation that an explosion in Poland could disrupt the Moscow Summit, so this case may indeed qualify under my definition. In any event, every interested player is watching it already, whatever his views about probabilities and impact.

This point leads to the squishy issue of the NIO/Warning's role as a warner -- as opposed to someone who worries about the machinery by which others warn, a responsibility he holds uniquely. The NIO/Warning has a special role as a warner only if his special perspective allows him to provide warning that others are suppressing or overlooking. Here it is incumbent on the warning report to inform the customer about why the warning is coming from the NIO/Warning and not from others who concentrate on the subject matter. It may be that the analysts in question have another view; then it is incumbent on the NIO/Warning to explain why he disagrees. Or the analysts may agree with the NIO/Warning but lack the clout or whatever to get their view into their pubs. Or the analysts may see the predicted event/development but not be sensitive to the threat or opportunity it presents to US policy. I am confident that some exploration of this context of opinion in warning articles will be very useful. It will help establish whether the issue is really warning. It will enhance the substantive quality of the judgments presented. And it will supply the customer useful information about the quality of his intelligence support.

Some specific points about the 4 May edition, keyed to margin numbers.

1. I suggest that references to the authoring office be avoided. First, it's self-evident that the NIO/Warning is concerned, otherwise the subject would not be raised. Second, it has a slightly self-important ring that detracts from rather than lending credibility, especially in a periodic report.

2. What "other personnel?"

3,4,5. Prior use of chemicals has not "reduced" the political cost of such use, but rather revealed that the cost is low...at least in logic. Yet I'm not real sure this is true. The users may not yet have incurred the full cost. Does not the fact that the "war of cities" has stopped suggest that the political costs of such operations are high? What has deterred the parties from using chemicals against cities up to now? What are the physical capabilities of the parties to take the actions predicted?

6. This statement about the parties "preparing their people" is the one reference in the piece to genuinely indicative -- although not conclusive -- intelligence. The reader wants to hear more about it, and any additional evidence.

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7. The opening sentence on East Europe is quite uninspired, which no writer, especially one seeking to warn, can afford. Everybody knows that East Europe is increasingly unstable; that it bears careful monitoring is a truism.

8. The source of instability in East Europe is the illegitimacy and woeful ineffectiveness of the regimes. Their failings originate from having been imposed by Moscow. But none want them to be effective more than Kremlin rulers. Meanwhile, one of the few sources of stability is, sadly, the fact that these countries are and are likely to stay in Moscow's orbit, i.e., Moscow can in extremis enforce order. That tends to deter revolts.

9,10. Given what is currently going on throughout the region, a "warning" of trouble in two-three years sounds very weak. It rather suggests that you are more concerned to stay on the safe side of prediction than to alarm the reader about East Europe. Your rank ordering of trouble spots is conventional...which is OK. But the real warning lies in informing the reader about the "radical spontaneity" of the situation: There could be a major blowup any day and any place, including spots we would judge less likely, i.e., the GDR and CSSR.

11. How does regime handling of the strikes determine whether the trouble escalates? Does use of force stop or stimulate the problem? I think the real intelligence judgment here is how much stomach the Polish population has for attacking the regime. Hutchings and, I guess, other experts think not very much. Presumably, you think they have more. If so, why?

12. The underlying thoughts in this paragraph are apparent and sound. But it is not written very tightly ("de-homogenization"? East Europe was never homogeneous. "spill over"? Evocative, but vague.) This detracts from persuasiveness, which a piece like this cannot afford. The real intelligence issue here -- beyond anticipating a blowup -- is anticipating Soviet reaction. You seem, without explanation, to anticipate a familiar interventionary reaction from Moscow. But the Gorbachev regime has gone out of its way to build expectations of non-intervention, perhaps at considerable risk to itself. If you don't believe this, why not? Might not the Gorbachev regime, if it intervenes, do so on behalf of more liberal alternatives? This seems most likely in Romania.

14. The Romania paragraph is somewhat weak to my ear. The likely formula is a palace coup to replace Ceausescu or a power struggle to create a more effective regime after his death. Widespread public disorders are less likely, but cannot be ruled out. The idea of an East-West competition over the post-Ceausescu leadership makes little sense to me. If the issue is moving "favorites" into power positions, we have no cards at all; the Soviets probably have a few (how many is a major intelligence issue). As to the evolution of Romanian policy, most analysts believe that a post-Ceausescu regime would try to have more constructive relations with both Moscow and the West than Ceausescu has now, and Romanian independence would persist. Do you disagree with this? Should Ceausescu be replaced in a coup or when he dies, the whole world will be relieved and probably

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hopeful about what then follows. It could well be fairly tranquil. The real trouble comes if Ceausescu lives on, pursues his brutal policies, and the Romanian people cannot take it any more. But they've shown remarkable ability to take it up till now. Are you predicting that their patience is at an end, or that the succession scenario is much more likely to involve popular unrest than most analysts expect? It's not clear in this paragraph.

East Europe is surely a trouble spot of interest to the US. So is Black Africa with its impending malthusian disaster of backwardness, population growth, and disease. I don't see the warning, however. Which is definitely not to say that there isn't any warning issue there; it just doesn't come through to me in this piece.

I have mixed feelings about the "Looking Ahead" section. On one hand, it's sprightly and eye-catching. On the other hand, the approach seems susceptible to the charge of diletentism and a high risk of off-the-wall judgments. Doesn't any subject worthy of mention in the context of warning demand more penetrating treatment?

I know you work closely with NIOs and other analysts around town in preparing these notes. Do you also send this Bi-Weekly to all NIOs? I believe this should be done.



Fritz W. Ermarth

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