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SUBJECT: LOOKING INTO THE ABYSS: THE POSSIBLE COLLAPSE  
OF THE SOVIET UNION AND WHAT WE SHOULD BE DOING  
ABOUT IT

1. Secret — Entire Text.

#### SUMMARY

2. Gorbachev, or even more progressive reformers, may triumph and the Soviet Union may move rapidly into full and productive interaction with the rest of the world. But they also may not, and it appears to us that the potentially less happy outcomes are the ones that require more forethought. The prospects of the Gorbachev regime have deteriorated over the past year and Soviets themselves are increasingly talking in apocalyptic terms. Some Republics will leave the Soviet Union and there will be a substantial redefinition of the remaining Republics' relationship to the center and to each other unless massive repression is used to prevent it. Truly dangerous scenarios — ranging from civil war and the loss of control over nuclear weapons to a truncated, belligerent, nuclear-armed Soviet or Russian state — cannot be excluded, even if they are not as likely as less apocalyptic scenarios. We need to take a close look at our policy to make certain that it minimizes the probability of extreme outcomes, and minimizes the risks to the U.S. if they should occur despite our best efforts.

3. We should move now to establish a permanent presence in each of the Soviet Republics. A major expansion of our exchange programs, both governmental and private, is essential. We need to keep our focus, and that of the Gorbachev regime, on moving forward on economic reform. Our arms control negotiations are in serious danger of being a day late and a dollar short. We need to rethink our objectives and how we are going to get there, from war-fighting strategy to modernization to how we organize ourselves as a government to conduct arms control negotiations. We need to move beyond ad hoc-isms in civil conflicts to the establishment of international principles and mechanisms for dealing with them. END SUMMARY.

#### DOMESTIC SITUATION: NO BOTTOM YET IN SIGHT

4. "We are looking into the abyss," says a young Soviet we've met a couple of times, an interpreter at the Foreign Ministry. Clenching his fists, he continues, "I'm so frustrated, because there is nothing I can do about this situation." Then, with a defeated shrug of his shoulders he adds, "Nothing much can be expected of my generation anyway. We're all cynics. We were raised under Brezhnev."
5. This was not an isolated remark. The most common phrase we hear in our discussions these days with Soviets is "I am afraid. I do not know what is going to happen." When a Russian looks into the abyss, he sees horrors of which, happily, Americans are only dimly aware. For every American soldier killed in World War II, some 90 Soviet men, women and children died. We had a short period of McCarthyism, while the Soviets were killing perhaps 20 million of their own people under Stalin. We experienced the depression and the dustbowl; the Soviets collectivization, deportation and mass starvation.
6. Perhaps this ever-present sense of standing on the brink of catastrophe accounts for the perpetual nervousness of the Moscow intelligentsia, its continual conviction that a conservative coup is looming. Yet an outside observer's evaluation can be only somewhat more reassuring. The economic situation continues to deteriorate, with no bottom yet in sight. Economic regionalism and autarky grow daily, casting doubt on the continued ability

of the national economy to function as a system, and even raising questions about the central government's ability to get food and other basics to the major urban areas. At the same time, processes are under way which if successful over the longer-term will modernize this still archaic society; primary among them are a significant decentralization of economic and political power and a nearly complete end to conscious isolationism and national autarky.

7. The political unity of the country is dissolving. A Soviet historian recently told us he hopes that in 30-50 years natural forces will bring some of the Soviet Republics back together. Meanwhile, he hopes that the Soviet Union can remain, not a superpower, but at least a great power, one of the 10 major world powers. If the Ukraine and Byelorussia separate, he says, even that will not be possible. Russia might be reduced to the borders of Muscovy. Clearly, even if a process of dissolution does not go that far, the political relationships within and among the constituent Republics are bound to be redefined considerably. They will continue to have shared economic interests, especially because of the present highly interdependent industrial infrastructure.
8. The structure of Soviet post-war security has collapsed. The military is being asked to take large budget cuts at the same time that the Soviet Union's primary military alliance has effectively ceased to function and its geographic barrier to invasion is disappearing. Negotiations or unilateral reductions are eliminating, and sometimes reversing, former Soviet numerical advantages in personnel and several categories of weaponry.

#### ALTERNATIVE FUTURES

9. The Gorbachev regime may survive, muddle through, and even eventually triumph over this sea of troubles. Moreover, a regime pressing for even more rapid and thorough reform could replace Gorbachev's. Nevertheless, the risk of retrograde movement, of increasing disorder, even of anarchy is greater now than it was in the past. This raises the question of whether any adjustments should be made in US policy to limit downside risks. The issue is not whether a happier outcome is more probable. We do not exclude the possibility that the progressives may triumph and that the

Soviet Union may move rapidly into full and productive interaction with the rest of the world. It is simply that happier outcomes demand less forethought.

10. If Gorbachev is able to remain in power and, even with many zigs and zags, move a reform program forward, we will be dealing in the near future with a Soviet Union that is very different from today's. The Baltics will break away and form independent states. Georgia and Moldova may do likewise. Political independence may go further than true economic sovereignty in these areas, given natural trade relations and the highly linked, dependent nature of the Soviet economy. Economic and ethnic realities appear to make independence a less likely option for the other Soviet Republics, but with feelings of nationalism exploding in the country today we should not assume that a rational calculation of economic and political costs and benefits will prevail. At a minimum, the remaining Soviet Union will contain republics with a variety of ties to the center, some probably quite loose. Growing resistance to serving in the Soviet army will probably require the establishment of something akin to national guards in the remaining Republics. The Red Army will face increasing pressure to become a professional force, although not necessarily an all-Russian one.
11. Worse scenarios are possible. Perhaps the most dangerous would be civil war, accompanied by the division of the Soviet Union into multiple independent states of varying degrees of viability, some possessing nuclear weapons and delivery systems. Only slightly less dangerous would be the breakup of the Soviet Union and the reversion of Russia into an authoritarian, autarkic system, hostile to an outside world that it saw as exploitative in its time of weakness and possessing the Soviet nuclear arsenal. A somewhat less dangerous alternative, though hardly one we would desire, is fulfillment of the Moscow intelligentsia's fears of a conservative coup — the establishment of an authoritarian regime that would repress breakaway nationalist movements and repress dissent. It is doubtful that such a regime would move overtly and militarily against its erstwhile Eastern European allies, but it would covet them and could be expected to maneuver to bring them back into its orbit.

## US POLICY: PRINCIPLES

12. How can we hedge US policy against the more negative of these outcomes? What, if anything, can we do to make them less probable? A few basic principles should guide our policy. It is particularly important now that we not confuse the pursuit of short-term advantage with the advancement of basic interests. We need to avoid superimposing US/Soviet tensions on Soviet internal problems. And we should be pursuing a web of relationships that minimizes the danger of an autarkic, belligerent shift and limits its duration and intensity, if it should occur.

## US POLICY: PRACTICE

13. How do these principles translate into a foreign policy program? First of all, a basic US interest continues to be the opening of Soviet society. It has become more important than ever, in fact we believe it has become a significant interest of the United States, to have a physical presence in each of the Soviet republics and in a number of additional locations in Russia. It is increasingly evident as these regions evolve toward greater independence that our ties with them should not be funneled through Moscow. This embassy has for about 18 months been urging the establishment of small posts in a number of Soviet cities, thus far to no avail. We will in a subsequent table be setting out some further ideas about how this might be accomplished now, while discussions about the eventual size and configuration of such posts continue.
14. Establishing a multiplicity of ties with different regions and elements of Soviet society also requires a dramatic expansion of our USIA programs here, particularly the IV program, and of opportunities for training in business management. We should encourage a major expansion of programs, most of which might be private, to bring young Soviets to the US for year-long periods of study. We believe we could do more to promote US interests and Western values in this country with \$2 million in exchanges than with \$2 billion in consumer goods, unless the larger sum was tightly linked to badly needed and politically sensitive economic policy changes. We should look into whether there might be an appropriate role for the Peace Corps here. Such a presence would contribute to the immediate opening of Soviet society. It would also offer the possibility of dramatically

- expanded contacts with today's young Soviet professionals. These are the people who, if the current leadership generation's push for reform exhausts itself, are likely to lead the country's next major reform effort.
15. Our military-to-military ties are becoming even more important. They represent a link to one of the most crucial all-union organizations and can work to influence its transition to an institution more inclined to seek a harmonious process of decentralization than to intervene to prevent it. Such contacts can also prevent a dangerous sense of isolation from developing among Soviet military and civilian strategists who see their postwar security structure crumbling.
  16. We consider it improbable that any likely successor regime or leader would have as enlightened a view of Soviet foreign policy interests as Gorbachev. Moreover, he may represent the best hope for a relatively stable, and therefore less dangerous transition to a new type of society and a new set of relationships among the Republics. Nevertheless, we should avoid the temptation to undertake economic aid simply to subsidize Gorbachev's regime. This is not a poor country. It has enormous resources and an educated (albeit badly trained and almost totally unmotivated) population. Its system and its practices squander those resources on a huge scale. We should not help a Soviet regime avoid the hard choices that in the longer run will be beneficial to the Soviet Union and make it a more suitable international partner. On the other hand, anything we can do to help them make those hard choices and follow through on them, we should do. The President's initiative at the Houston Summit on the question of assistance to the Soviet Union represents a major step toward finding a multilateral approach to dealing with the fundamental problems of the Soviet economy. An IMF/IBRD led effort will be crucial for all parties. Our comments on improving US technical assistance will be addressed in a separate cable.
  17. We are far behind the curve, perhaps dangerously so, in arms control negotiations. We should at this point be implementing START and CFE and be well along in negotiations on START II and CFE II. Under any scenario we can think of, a Soviet Union with 2500 deliverable nuclear weapons has got to be less dangerous than one with 12,000. It is clear to everyone that

one of the chief problems in Europe today is the lag of military reductions and adjustments behind political developments. The issue here is what we can do on our side, or perhaps in agreement with the Soviets, to get out of the bureaucratic thickets on arms control negotiations and move forward more aggressively. Would it be possible, for example, to create a senior, blue-ribbon group outside of the arms control negotiations process, and also outside of the interagency process, but with access to the issues each has under consideration, to identify hangups and recommend solutions to US leaders at the cabinet level and in the White House? We should take the lead in capping the arms race by limiting modernization. This would allow us to lock in areas of US qualitative superiority, although we should avoid the temptation to press for modernization limits only in those areas. The embassy now believes that the more important nuclear threat we face is not that the Soviet government will use nuclear arms against us, but rather that control over those arms might slip out of its hands. We should focus more of our arms control attention on limiting or eliminating those systems of mass destruction that are most likely to fall into unstable hands. ICBMs may be much less a threat to us or other nations someday than tactical and local nuclear devices that may be used, stolen or sold to third parties under worst-case Soviet disintegration scenarios.

18. On regional conflicts, we should move aggressively to challenge the Soviets to adopt a different approach to dealing with civil conflicts in the Third World. Together, by agreeing not to supply arms in such conflicts and to establish international mediation efforts, we could end many of them, limit the destructiveness of others, and keep them from becoming dangerous in the bilateral context. This is already the direction our policy is going in practice. We should formalize it in some way, perhaps by a suitable joint resolution in the UN.
19. In many respects, as the recommendations above indicate, our policy is already on the right track. We may only need to do more, or to do it faster. But in some areas we need to change conceptual frameworks that have become comfortable over recent decades. The dramatic cuts in weapons of mass destruction that are now possible, for example, cuts that could do much

to limit the dangers of a retrogressive turn in Soviet society or policy, will require a major rethinking of our military strategy and objectives. We face a period of unique opportunities, but also potentially one of unique dangers. It is a time that calls for prudence, but not timidity. A failsafe policy in dealing with the turmoil in Soviet society will surely fail, but it will not be safe. It will cause us to miss the opportunities, while adding to the dangers.

MATLOCK