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TRENDS IN THE SOVIET UNION AND EASTERN EUROPE
AND THEIR POLICY IMPLICATIONS

Note by the Chairman, Working Group of Experts on the
Soviet Union and Eastern Europe

At the meeting of the Working Group held 2nd-5th May, 1972, twelve member countries were represented. National reports, some of which were long and detailed, were submitted by six countries (Canada, France, Germany, Italy, United Kingdom and United States).

2. The attached report prepared by the Working Group covers the period from December 1971 and was completed on 5th May, 1972. It consists of seven parts, as follows:

- Part I: GENERAL OUTLOOK
- Part II: SOVIET INTERNAL POLICY
- Part III: SOVIET EXTERNAL POLICY
- Part IV: SOVIET RELATIONS WITH EASTERN EUROPE
- Part V: THE SITUATION IN EASTERN EUROPE
- Part VI: THE DDR
- Part VII: YUGOSLAVIA

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N A T O C O N F I D E N T I A L

PART I: GENERAL OUTLOOK

1. The leadership in the USSR, which remains stable, has returned to a greater appearance of collectivity, although Brezhnev remains the leading personality, particularly in the foreign policy field. He is so clearly identified with current policies that, if there should be a major reverse in both foreign and domestic affairs, the leadership could face a serious crisis.

2. The Soviet pursuit of détente continues to be motivated inter alia by a desire to achieve recognition of the status quo and of Soviet predominance in Eastern Europe and to modernise its economy with the help of Western technology. Similar needs for modernisation motivate its East European allies to seek accommodation with the expanding Common Market. The Soviet leadership has become increasingly concerned about problems of internal order, and continues to insist on ideological conformity while at the same time calling for unity in the Socialist camp.

3. The economic deficiencies of the USSR set limits on Soviet ability to exploit favourable opportunities throughout the world. Nevertheless, the Soviet Union has been actively developing its position as a global power and continues to stress its claim to be consulted on all major international issues. It maintained its previous dynamic policy, including the negotiation of treaties and the development of special relationships with individual strategically-placed states. It is attaching increased importance to strengthening its position in the Middle East and is continuing to expand its naval activities in many key areas. Although Soviet policy, notably on Vietnam, seeks to undermine American influence, it continues to stress the desirability of practical agreements with the United States, as is shown by its preparations for the visit of Mr. Nixon to Moscow.

4. While the USSR is facing new developments in its relations with the West, it is also trying to adjust to increasing Chinese and Japanese participation in world affairs. The Soviet idea of an Asian collective security arrangement has been brought forward again, probably in order to meet this situation and to provide a basis for continuing Soviet influence in that area.

5. In Europe, Soviet objectives are unchanged. These include the consolidation of the status quo; expansion of influence; increased exchanges in trade, science and technology; and - in the long-term - the withdrawal of American forces. Although still hostile to the idea of integration in Western Europe, the Soviet attitude toward the Common Market shows signs of becoming more flexible. Moscow is concerned over the possibly disruptive effect of a closer relationship between Eastern Europe and the West, and has increasingly been trying to use the Warsaw Pact and CMEA as mechanisms to control such relations.

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6. The project of convening a CSCE is being pursued. The Prague Declaration has tended to unify the policies of Warsaw Pact members and provide a basis for further discussion with the West.

PART II: SOVIET INTERNAL POLICY

7. There have recently been signs of an increased concern with ideological matters, reflecting a desire for greater discipline and orthodoxy. Harsher measures have recently been taken against dissidents. There is also evidence of a drive against heretical views amongst the scientific and cultural intelligentsia. Even if the Soviet authorities are in a position to cope with them, the nationalist and religious problems continue to be matters of concern. The Soviet authorities have tried to defuse the Jewish problem by a policy of selective emigration, even at the price of Arab discontent, but they are still no nearer a solution.

8. The slight upward revisions in the current Five-Year Plan's final version seem to be largely politically motivated and intended as a renewed pledge to carry out the consumer programme announced at the 24th Party Congress in 1971.

9. The prospects for economic improvements in 1972 seem limited because of inability to make headway against chronic problems, mainly of inefficiency and poor product quality. Livestock production has been growing more slowly than planned, largely because of fodder shortages. As a measure of its agricultural deficiencies, the USSR will be importing at least 8 million tons of grain in the present crop year, more than at any time since 1966. In addition, a large quantity of sugar had to be purchased on the world market. The additional hard-currency costs will be substantial, and this lends some plausibility to rumours that Soviet gold sales will be resumed before long.

PART III: SOVIET EXTERNAL POLICY

10. Mr. Nixon's visit to Peking and the latter's admission to the United Nations, have given China a new dimension in international affairs and has created fresh cause for rivalry, of an increasingly political nature, between the USSR and the Chinese People's Republic. In Moscow, the visit gave rise to concern over the intentions of the two parties, and these misgivings have not been entirely allayed. However, the Soviet Union has made a concession to the Chinese. In a speech on 20th March, Mr. Brezhnev stated that for want of anything better Sino-Soviet relations could, "for the time being", be based on the principles of peaceful co-existence.

11. The Russians have shown a continued interest in improving their links with Japan. During his visit to Tokyo in January, Gromyko renewed earlier attempts to involve the Japanese in joint development projects in Siberia, and agreed to hold talks on a peace treaty later this year. Gromyko demonstrated some flexibility by not reiterating the standard Soviet position on the South Kuriles. A peace treaty however is unlikely to be signed until the Kurile Islands issue is resolved.

12. In the Indo-Pakistani conflict the Soviet Union strongly supported India and was prompt in establishing and developing its relations with Bangladesh. As a result, India's links with the Soviet Union have been strengthened. Relations with Pakistan are somewhat cooler than before, but the Soviets are making efforts to improve them. The Soviet Union is now interested in an arrangement between these three countries with a view to reinforcing its position in a more stable sub-continent.

13. The Soviet Union has given fresh impetus to the pursuit of its policy in the Middle East and its main aim at the present time is to stabilise its position in that area. It seems to wish to achieve this aim by consolidating and diversifying its presence which now extends far beyond the privileged relations which it has with Egypt, as witness the recent conclusion of the treaty with Iraq and the strengthening of ties between the USSR and the other Arab countries.

PART IV: SOVIET RELATIONS WITH EASTERN EUROPE

14. The meeting of the Warsaw Pact Political Consultative Committee in January was designed not only to bring up-to-date the Pact's position on the CSCE, but to present a common approach to such a conference, notwithstanding the differing motivations which exist among Pact members. More recently Soviet publications have emphasised the importance of ideological struggle in the international field and have reverted to the theme of the leading rôle of the Soviet Union. The drive for greater unity in economic and foreign policy was also apparent in the two multilateral institutions, the Warsaw Pact and CMEA.

15. In the military sphere, this drive for unity was marked in respect of Rumania which took her due turn as host to the Military Council; and participated in staff exercises in Bulgaria, allowing a Soviet staff convoy to transit Rumania for this purpose.

16. The USSR increasingly sees the CMEA as an instrument for control of East European contacts with the West, more particularly with the EEC, but as the other East European countries prefer to deal with it on an individual basis, the CMEA is unlikely to be strengthened in the foreseeable future as an instrument for handling contacts with the EEC.

PART V: THE SITUATION IN EASTERN
EUROPE

Poland

17. Sixteen months after coming to power, Mr. Gierak may justifiably claim to have prevented a deterioration on the home front and to have strengthened his authority throughout the country. However, the priority assigned to the production of consumer goods and new housing is as yet too recent to have produced any noticeable effect as far as the population is concerned and there has been some delay in the implementation of the promised economic reforms.

18. In foreign affairs, loyalty to the Soviet Union is still the key note to Polish policy even though Mr. Gierak in pursuing more active diplomacy towards the West with his invitation to President Nixon to visit Warsaw and his own plans to visit Paris next October.

Czechoslovakia

19. The internal situation has been marked by a continuation of the effort at political consolidation. Husak still maintains his primacy in spite of the continuing strong influence of Bilak and other hardliners who favour more repressive policies. Husak, who appears to have again won Soviet support against his challengers, may be expected to focus on economic policies designed to raise the standard of living and stimulate improved performance by a politically apathetic, even hostile, population.

20. Czechoslovakia has continued to follow the Soviet lead in foreign policy, and is apparently not interested in continuing the talks with the Federal Republic of Germany until the entry into force of the German-Soviet and German-Polish treaties.

Hungary

21. Hungary's New Economic Mechanism has run into problems caused by the imbalance in foreign trade and the delay in completing proliferating investments. The basic principles of the NEM are, however, still maintained. After his talks in March on economic questions held with Brezhnev and Kosygin in Moscow, Prime Minister Fock publicly referred to "difficulties". These may reflect Soviet concern about the wider effects of Hungary's economic reforms.

22. Because it is anxious to have its domestic policy approved by Moscow, Hungary respects Moscow's wishes in foreign affairs. The renewal of the Treaty of Friendship and Mutual Assistance with Rumania improved relations which had been strained since the polemics in the summer of 1971. This improvement paralleled the easing of Soviet-Rumanian tensions.

Rumania

23. A greater emphasis on ideology and security, which may in part explain the recent changes at the top levels in Party and Government, is having its effect in all fields of life in Rumania.

24. There has been no departure from the basic principles of Rumania's independent foreign policy. It maintains its links with the Warsaw Pact while looking for openings on all sides, for example, towards the EEC. Relations with the Soviet Union and the other members of the Warsaw Pact have shown signs of improvement, while Rumania is now showing greater caution regarding its relations with China. Cultural and economic exchanges with the West are suffering from increased party controls and difficulties placed in the way of contacts with foreigners.

Bulgaria

25. The position of Todor Zhivkov continues undisputed. Bulgaria continues to be a loyal ally of Moscow. During his visit to Sofia, Brezhnev is believed to have obtained Bulgarian restraint in its public dispute with Yugoslavia on the Macedonian issue.

Albania

26. Though Albania's foreign policy is still based on friendship with China, a number of recent events - with, first and foremost, the resumption of relations between Washington and Peking - have very likely prompted the Tirana leadership to take a hard look at the concrete support which they can expect from the Chinese People's Republic following the latter's change of course in diplomatic affairs. This new attitude seems to be reflected in the current improvement in Albania's relations with Rumania and particularly with Yugoslavia, to the exclusion however of relations between the parties which remain non-existent.

PART VI: DDR

27. Since Ulbricht's withdrawal from active political life, Honecker has been able to consolidate his position. He renounced the special ideological rôle of the DDR and has moved closer to Soviet ideology. While maintaining his ideological inflexibility, Honecker is endeavouring to improve living conditions and to make party work more attractive. Nationalisation of the few surviving private and semi-private enterprises has been taken up again.

28. Abgrenzung vis-à-vis the Federal Republic of Germany - strongly emphasised for a time - became difficult to uphold credibly in the light of the intra-German talks and the smooth organization of the visits of West Berliners to East Berlin and the DDR. During the intra-German negotiations, the DDR was apparently strongly urged by the Soviets to make certain concessions. In return, the Soviets increased their support to the DDR in the field of her international relations. The further development of the DDR's relations with other Warsaw Pact states is exemplified by the eased travel arrangements with Czechoslovakia and Poland.

PART VII: YUGOSLAVIA

29. Any complete assessment of the probable long-term repercussions of the recent crisis over Croatia must await the findings of the Investigating Commission and of the trials of those presently under arrest. It appears, however, that Tito has successfully weathered the most serious crisis since his Party was expelled from the Cominform in 1948. The changes so far, except in Croatia, appear minimal and the selective recentralisation of authority in the upper echelon of the League of Communists of Yugoslavia (LCY) has not compromised the existing reform programme. On 17th April, Tito himself asserted that the internal situation was stable, that he could withdraw from power "when he liked" and that the LCY had once more become "the firm foundation of the ideological development of the country".

30. The call made by Tito and Brezhnev last September for a faster development of mutual economic co-operation has been rapidly implemented. The rate of growth in trade between the two countries in the planning period to 1975 will be double what had previously been agreed, and the Russians are to provide a substantial loan for the development of bauxite mines and the erection of an alumina plant in Bosnia. President Tito's forthcoming visits to Moscow and Warsaw will provide the counterpart to his Western tour last year. The Yugoslav Government is nonetheless extremely anxious to obtain the economic support which it so urgently needs from the West.

31. Despite the treaties which Egypt and India have signed with the USSR, Yugoslavia is trying to keep alive the movement in favour of non-alignment, particularly in the Mediterranean area.