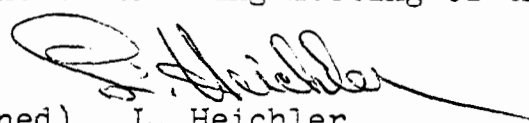


To: Members of the Political Committee
From: The Acting Chairman
Subject: Exercise WINTEX/CIMEX 1979

24th November, 1977

Attached are copies of (a) the basic assumptions and ORANGE objectives; (b) the political setting; (c) the ORANGE and BLUE lead-in scenarios for exercise WINTEX/CIMEX as developed by the political syndicate of the Central Planning Team (CPT) which met from 28th September to 7th October, 1977 at SHAPE under my Chairmanship and which was attended by representatives of Ministries of Foreign Affairs and/or Delegations of a number of nations participating in the exercise. These documents will be incorporated in the Exercise Specification and/or Operation Order which will be issued by SHAPE in due course.

The subject exercise is unique in both concept and preparation. As its sponsoring authority, the Secretary General has assumed, among other things, overall responsibility for the preparation, quality and acceptability of the political scenario upon which the exercise will be based. In carrying out the supervisory responsibilities delegated to it by the Secretary General, the Political Division of the IS has assumed an unprecedented role in the preparation of the political context of the exercise. Likewise, unlike previous CPT meetings, nations have sent political advisors to the meeting of the CPT. The documents referred to above therefore represent a collective effort on the part of national political advisors, the SHAPE Authorities and representatives of the Political Division of the IS. In the preparation of these documents an attempt has been made to reconcile the political realism which is obviously highly desirable, with the requirements of the Military Authorities to exercise their procedures. Before the exercise specification is submitted to the DPC for approval, your guidance with respect to its political aspects would be much appreciated. I therefore intend to raise this subject at the forthcoming meeting of the Political Committee.


(Signed) L. Heichler

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14 November 1977

WINTER/CIMEX 79BASIC ASSUMPTIONS AND ORANGE OBJECTIVES (NU)

1. (NC) This Annex has been developed by the Tri-MNC exercise planners and agreed in principle by MODs. It conforms with the agreed exercise framework at Annex C which is designed to facilitate the practising of the objectives given in paragraph 3.b. Its purpose is to provide exercise planners with the information necessary to develop a detailed ORANGE scenario. It is recognised that the Basic Assumptions and ORANGE Objectives given below and the Political and Intelligence Settings in Annex B may be further developed by NATO and National Political Authorities in consultation with the Tri-MNCs.

2. (NS) Basic Assumptions:

a. A new ORANGE leadership is fully committed to a militant ideology, the maintenance of ORANGE's supremacy in leading world Socialism and the preservation of its superpower status at all costs.

b. Within a relatively short time, this inexperienced ORANGE leadership is confronted with problems which in their judgement affect the vital interests of ORANGE. These issues will basically involve the following:

(1) Internal upheaval leading in some cases to the challenge of authority in East European countries, particularly in Poland and to some extent in Hungary.

(2) Visable efforts by the Yugoslav leadership to maintain its non-aligned status while seeking economic benefits through closer ties with the European Economic Communities.

(3) Gradually increasing restrictions imposed by the industrialised countries in their economic and trade relations with ORANGE and some selected members of the Bloc.

3. (NS) ORANGE Objectives:

a. Political: The immediate political objectives of ORANGE are:

(1) In the ORANGE Camp.

(a) To preserve the integrity of the Eastern European system by ensuring the continued loyalty and stability of Bloc countries, particularly Poland and Hungary.

(b) To discourage, and if necessary, to prevent by force any Yugoslav move towards closer relations with the Western World and ultimately to align Yugoslavia with the ORANGE Bloc.

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(2) In the NATO Area:

(a) At the initial stage to prevent NATO from disrupting ORANGE attempts to achieve cohesion within the ORANGE Bloc.

(b) As a diversionary measure and as a result of orange miscalculation about the receptivity of Northern Flank countries to ORANGE initiatives, to drive a wedge between NATO's Northern and Central Regions by a policy of political and military pressures directed against Norway and Denmark.

(c) To eliminate NATO's capacity to challenge the superpower status of ORANGE.

(3) In Other Areas:

(a) To expand ORANGE global influence, particularly in the Middle East, Africa and the Indian Ocean.

(b) Military: The primary ORANGE military objective, once hostilities begin, is to neutralise NATO's ability to frustrate ORANGE political aims by military means. To this end, ORANGE will aim in each theatre to:

(i) Seize strategic areas or establish air/naval supremacy in crucial areas for the security of ORANGE Bloc or the expansion of their own operations and the hampering of NATO operations.

(ii) Prevent NATO reinforcement and resupply.

(iii) Destroy NATO forces.

4. (NS) ORANGE Chemical and Nuclear Policy: Convinced of their conventional superiority, ORANGE leaders do not intend to resort to the initial use of nuclear weapons. Nevertheless, this will not exclude the possible use of chemical weapons in selected areas to achieve key objectives.

5. (NS) Exercise Status of Selected Nations:a. Pro-ORANGE:

(1) Libya will assess the situation and decide to grant port and air facilities to ORANGE after the outbreak of hostilities.

(2) Guinea will support ORANGE by granting port and air facilities. Cuba's position remains ambiguous.

(3) Albania will support ORANGE by granting port facilities, and will probably permit military activities from bases along its southeastern border.

b. Pro-Western:

(1) Israel, Iran and Japan will remain non-belligerent but sympathetic to the West.

(2) Spain will remain non-belligerent and will decide in each case whether ~~or~~ not to comply with additional US requests concerning facilities.

c. Neutrals:

(1) Finland, after brief resistance, will follow a policy of passive neutrality, having had to accept ORANGE use of her territory.

(2) Yugoslavia will attempt to remain neutral but will defend her territorial integrity.

(3) Although Turkey's neighbours to the immediate South endeavour to maintain a neutral status, increasing ORANGE subversive activities later prepare the ground for pro-ORANGE factions to dominate their governments.

(4) Austria, Cyprus, Malta, Sweden, Switzerland, Tunisia and Morocco will remain strictly neutral.

d. Others:

(1) Preoccupied with domestic problems, China will not present a military threat to ORANGE, but will maintain a posture of ideological hostility.

(2) For the purposes of the Exercise, other nations will either not be involved or remain neutral.

WINTEX/CIMEX 79POLITICALSETTING

1. (NC) This Annex is designed to provide background information for logical transition into the exercise while justifying the rationale for BLUE reaction prior to STARTEX.

2. (NS) POLITICAL SETTING

a. Burdened with its huge defence commitment as well as the need to develop its resources east of the Urals and to meet its own internal economic requirements, including improvements in the consumer sector, during the winter of 1977 ORANGE was faced with increasingly difficult economic choices. Forced to balance its own demands against those of Eastern Europe, it significantly increased the prices of raw materials and energy to the Bloc and created shortages in these areas by increased marketing to the West to gain foreign currency for the procurement of Western equipment and technology.

b. At the beginning of 1978 discontent in the ORANGE Bloc reached a critical point, particularly in the most volatile of the satellite nations, Poland. The death of the first Secretary of the Hungarian Communist Party, combined with significant economic difficulties as a result of ORANGE measures, triggered off unrest in Hungary as well. The immediate issues were economic: a general slowdown in economic growth, soaring hard currency debts with the West accompanied by requests for debt rescheduling, with a concomitant increased dependence upon ORANGE for now costly raw materials and energy, and shortages of consumer goods and foodstuffs. Unrest quickly extended economic issues into a basic challenging of the competence and authority of government. As in the other countries of Eastern Europe, to varying degrees, increased public discontent over economic issues provoked cooperation between workers and dissidents protesting human rights concerns.

c. In March 1978 the Catholic Church in Poland put its weight behind the dissident Workers Defence Committee, and there followed some degree of unity among workers, intellectuals and clergy in protest against the economic and political constraints imposed by the regime.

d. In the same month dissident intellectuals in the GDR issued a protest against restrictions on emigration and other constraints on civil liberties in East Germany.

e. By April, similar developments had occurred in Hungary.

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f. Having assumed power in late 1977, in the spring of 1978 the new Yugoslav Federal Council had largely consolidated its position and showed signs of moving closer to the West, particularly with regard to closer ties with the European Communities. At the same time, the new Yugoslav government lent its support to a Romanian initiative to institutionalise Balkan regional cooperation. On the eve of a Romanian state visit to Belgrade, a signed article in Pravda warned in the bluntest terms against moves toward closer cooperation among the Balkan states. Subsequently the Romanian leadership was compelled to abandon publicly its proposal; Yugoslavia, however, continued to advocate institutionalized cooperation in the Balkans.

g. Increasingly troubled with ill health and confronted with serious political and economic problems, the General Secretary of the ORANGE Communist Party was forced to resign in May. The subsequent power realignment showed that a militant echelon of leaders closely associated with the ORANGE armed forces had taken control. The new leadership represented technocrats and ideologues committed both to aggressive policies to demonstrate the superpower status of ORANGE and a return to Marxist-Leninist purity, including the goal of world revolution. The Politburo determined that since maintaining the integrity of the Eastern European system was a vital national interest to ORANGE, any necessary political and military action, short of general war with the West, would be justified to preserve its system.

h. In July 1978, the Polish Government was forced by the above-mentioned financial difficulties to restrict severely the supply of certain foodstuffs, coal and textiles in the consumer sector. Economic hardships were exacerbated by a grain crop failure. The Polish austerity measures provoked serious rioting and nationwide strikes; the regime seemed unable to maintain public order.

i. Also during July the Primate of Hungary called upon the Hungarian Government to live up to the provisions of the Helsinki Final Act. His appeal evoked strong public support in Hungary. Confronted with a potentially explosive situation, the doctrinaire Hungarian leadership placed the Cardinal under house arrest. Spontaneous protest meetings and widespread demonstrations ensued. Sympathy demonstrations in Czechoslovakia were quickly dispersed.

j. The ORANGE Politburo, in an emergency session following the second day of rioting in Poland, issued a secret demand that the Polish Government suppress the civil unrest and offered ORANGE assistance. At the same time ORANGE forces in Bloc nations were ordered to a state of advanced readiness as a signal, particularly to Hungary, that similar dissent elsewhere would not be tolerated. However, after widespread arrests in Poland decimated the leadership of the Workers' Defence Committee, an uneasy order was gradually re-established.

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k. In August 1978, the ORANGE leadership convened a special session of the Communist Party Central Committee. In a televised major policy address the new Party Chairman called for a return to the classical doctrines of Marxism-Leninism, exhorted Communist parties to remember their historical role as vanguard of the proletariat and called for greater vigilance and revolutionary elan. He emphasised that ORANGE remained leader and centre of the Socialist world and reaffirmed the duty of ORANGE and other Socialist states to defend fraternal Socialist countries - whether or not they were members of the ORANGE Bloc - against counter-revolutionary forces.

l. In a carefully orchestrated campaign this speech triggered other statements and articles in leading ORANGE publications. These stressed the intensification of the class struggle, the inevitability of worldwide proletarian revolution, and the universal triumph of Communism. While mentioning the continued value of detente and of on-going arms control negotiations, the Communist commentators questioned whether the doctrine of peaceful co-existence remained historically correct. Their frequent references to the ideas and statements of a former ORANGE leader, especially his doctrine of a world divided into two irreconcilably hostile camps, implied a decision to rehabilitate the wartime dictator.

m. While some Western observers interpreted ORANGE policy statements as reflecting an effort to reassert control and restore order within the ORANGE orbit, others saw these developments as an attempt to turn back the clock and rekindle the Cold War. In a climate of mounting concern over the new policies of the ORANGE leadership, Western editorialists and parliamentarians called into question continued economic cooperation with Comecon countries. Influential figures questioned the wisdom of selling grain and other foodstuffs as well as transferring technology to ORANGE. They argued that rather than promote detente, such transfers only enabled ORANGE and other Bloc countries to strengthen their military capabilities. While a move by the United States Congress to embargo grain exports to ORANGE was vetoed by the President, US and Canadian longshoremen voted no longer to load ships carrying grain to the ORANGE Bloc. Western European governments, especially the Federal Republic of Germany, also began to re-examine their economic policies vis-a-vis ORANGE Bloc countries.

n. ORANGE reacted with a series of political demarches in capitals as well as a major propaganda campaign. In September 1978, the ORANGE delegate to the United Nations General Assembly delivered a slashing attack on the governments of Western Europe and North America. He accused "the ruling circles of the imperialistic camp" of waging economic war against "the peace-loving peoples of the Socialist world" and of trying to undermine the Socialist countries through counter-revolutionary intrigue, subversion and espionage. He declared that in the face of Western economic blackmail, ORANGE would take whatever measures it deemed necessary in order to protect its economic interests and those of its allies.

o. During the next several weeks, ORANGE and GDR fishing fleets resumed fishing operations within the 200 mile territorial limits of BLUE countries. ORANGE authorities arrested and expelled a number of West European businessmen and technicians, accusing them of having misused their position for industrial espionage and subversion. FRG technicians working at the Kursk Steel Pellet Plant were given 24 hours to leave the country.

p. At the request of the FRG Chancellor, an OECD summit meeting was convened in Paris in early October 1978. Member governments agreed to consider measures to curtail exports of advanced Western equipment and know-how to ORANGE and certain other Bloc countries. The NATO Economic Committee was instructed to expand the COCOM list.

q. In early November, ORANGE and GDR fishing fleets continued fishing operations off the mid-Atlantic coast of the United States and along the Western shore of Norway, in disregard of Western warnings. Several ORANGE and GDR vessels were escorted into port.

r. The ORANGE propaganda campaign intensified, and its tone became increasingly hostile toward the West. At the same time, ORANGE reiterated its claim to leadership of the Socialist camp and promised support to national liberation movements throughout the Third World. Western parliamentarians and commentators expressed growing concern. There was mounting criticism, especially from the more conservative side of the Western political spectrum, of the pursuit of detente policies - described as appeasement - as well as calls for economic sanctions against ORANGE. A well-placed ORANGE defector revealed that ORANGE had rearranged its budgetary priorities and allocated new resources to its military establishment.

s. ORANGE moved additional ground forces into Eastern Europe, particularly Poland and Hungary. Toward the end of the month, riots occurred in several Hungarian and Polish cities. The disorders were brutally suppressed by troops and militia. The authorities imposed martial law, established curfews, and moved to arrest significant numbers of dissidents. These actions evoked protest demonstrations in several Western capitals. The Yugoslav leadership publicly expressed dismay over the repressive measures taken in Poland and Hungary and defended the right of dissidents to have their say. A renowned neutral leader expressed serious concern about the suppression of human rights in Eastern Europe.

t. In apparent retaliation for the incidents involving ORANGE and GDR fishing fleets, ORANGE began in early December to harass Western fishing and merchant shipping in the Baltic Sea and Eastern Atlantic.

u. The Communique issued at the conclusion of the December NATO Ministerial Meeting drew attention to the increasingly serious international situation, forcefully reminded the ORANGE Government of its previous commitments to the cause of peace, reaffirmed the solidarity of the North Atlantic Alliance and stressed that while Western nations would do all in their power to prevent war, the Alliance was fully prepared to defend its members against aggression.

v. Several Western countries expressed support publicly for the independence and non-aligned status of Yugoslavia and offered economic assistance to this country. Ongoing negotiations between Yugoslavia and the Federal Republic of Germany and Italy for the procurement of agro-industrial and petro-chemical equipment were concluded successfully.

w. During Christmas week Polish and Hungarian indigenous forces, assisted by ORANGE troops, succeeded in restoring order in these countries. For the first time in many months, all ORANGE Bloc governments appeared to be in full control of their domestic situations and united in complete support of ORANGE policies. In carefully worded statements the Albanian leadership expressed support for ORANGE and applauded its return to ideological purity.

3. (NS) ORANGE POLITICAL LEAD-IN SCENARIO

a. In early January 1979 a wave of sabotage spread across Yugoslavia. A group calling itself the "Yugoslav Committee for a Return to Socialism" claimed responsibility and appealed to the ORANGE leadership for help in restoring a genuinely Socialist Yugoslavia. Several days later the ORANGE Politburo decided that it must endeavour to align Yugoslavia more closely with the ORANGE Bloc through political pressure and, if ultimately necessary, by military means. As lead-in to this action, ORANGE planned an even more strident anti-Western campaign, coordinated with an aggressive exercise program calculated to divert international attention from anticipated actions against Yugoslavia. The ORANGE military high command was ordered to prepare secret operational plans to counter any possible Western intervention. The ORANGE Politburo received encouragement for its plans from pro-ORANGE Yugoslav elements.

b. Inclined to believe that the North Atlantic Alliance had lost its former cohesion, but primarily intent on diverting world attention from its designs on Yugoslavia, the ORANGE leadership decided in mid-January to attempt to drive a wedge between the Northern Flank countries and the other members of the Alliance through a gradually escalating campaign of political pressure against Denmark and Norway. In an initial effort to use blandishments to achieve its objectives, ORANGE endeavored to persuade Denmark and Norway that they could only lose through continued association with an alliance dominated by the United States and a "revanchist" FRG. ORANGE pressed the two Scandinavian countries to participate in a new regional scheme involving ORANGE with the Nordic countries in a variety of fields.

c. Announced publicly as an exercise, but in reality to demonstrate NATO solidarity in the face of ORANGE pressure, the AMF(L) was deployed to Denmark in late January.

d. At sea, incidents continued to increase throughout January. Several vessels were damaged in apparently accidental collisions between ORANGE and Western ships. In two cases, warning shots were fired. Trawling lines of Western fishing vessels were cut and fouled with increasing regularity. Threats and harassment against Western vessels reached serious proportions. There were several violations by ORANGE ships of safety zones around oil drilling platforms in the North Sea.

e. Some Western missions in Arab countries reported in late January that ORANGE had apparently approached its Middle East friends to persuade Arab petroleum exporting nations to halt or limit oil deliveries to Europe and the US. At the same time, Persian Gulf nations experienced some isolated attempts to sabotage oil production and delivery facilities, possibly by indigenous extreme left-wing underground organisations.

f. Increasingly isolated, by its own choice, from contact with the Western world, stung by the January decision of Western Governments to cease virtually all economic cooperation and to restrict trade relations, and offended by a blunt and public rejection of its overtures to Denmark and Norway, the ORANGE leadership resorted in early February to the use of more severe pressure and threats against the two Scandinavian NATO members. In strongly worded demarches to the Danish and Norwegian governments, the ORANGE leadership demanded unrestricted passage for ORANGE Bloc naval vessels into the North Sea, insisted that Denmark refuse NATO permission to hold amphibious landing exercises in Jutland, and warned Norway that it considered continued NATO activities in that country as an aggressive threat to ORANGE sea routes and the ORANGE military complex on the Kola Peninsula. When these demarches were again publicly rejected on E-30 ORANGE recalled its ambassadors from the two Scandinavian capitals, as well as from Bonn, London and Washington, ostensibly for consultations. The MBFR negotiations in Vienna were deadlocked as the result of changed troop strengths in Europe, and the ORANGE delegation withdrew from the talks, stating that it would return to the conference table only to hear new and constructive Western proposals.

g. Early in the second week of February, the CASTCG was requested to deploy to northern Norway in response to increased ORANGE threats against the Northern Flanks.

h. During the first half of February, ORANGE and ORANGE Bloc forces conducted large-scale joint exercises in Poland, the GDR, Czechoslovakia and Hungary, as well as an unprecedented large exercise in Bulgaria. Neighbouring CSCE countries were advised of these exercises only on 1st February, not in accordance with the 21 day advance notice stipulated in the Final Act; observers were not invited to ORANGE exercises for the first time since mid-1977. In all ORANGE countries, reservist officers were recalled to active duty. At the same time, the ORANGE fleet engaged in amphibious exercises along the GDR coast and in the Black Sea. These manoeuvres led to further naval incidents involving some damage to both NATO and ORANGE shipping. As a consequence of this general situation, BLUE governments decided on E-20 to reinforce NATO units in Europe.

i. Military Vigilance was declared NATO-wide on E-16.

j. E - 12 A high level ORANGE delegation visited Belgrade. Using blunt and peremptory language, the ORANGE representatives demanded that the Yugoslav leadership adopt a policy of fraternal Socialist solidarity with the ORANGE Bloc and refrain from any public criticism of ORANGE policy.

k. Rejecting the threatening and ultimative tone of the ORANGE negotiators, their Yugoslav hosts broke off discussions before the end of the first day and asked the ORANGE delegation to leave immediately. Simultaneously, the Yugoslav Government issued orders to reinforce Yugoslavia's borders.

l. E - 10 Yugoslavia issued an appeal to all neutral/non-aligned and Third World nations to support Yugoslav efforts to remain independent and protect its non-aligned status. Leading articles in some Western media lent their support to this initiative, and similar views were echoed by some Western political figures in bilateral talks with non-aligned leaders.

m. E - 8 In response to the Yugoslav appeal, the current spokesman of the non-aligned group visited the ORANGE capital and appealed to ORANGE leaders to reconsider their policy toward Yugoslavia. This served only to increase the ORANGE sense of isolation.

n. E - 7 In Bulgaria, continued large scale military activities were accompanied by an increased logistics build up.

o. E - 5 Beginning 1st March, intelligence reports pointed to unusual activity in ORANGE and ORANGE-bloc countries apparently intended to put these nations closer to a war-footing. There was evidence of greatly increased deliveries of military aircraft and sophisticated weaponry along with a forward stockpiling of war material above peace-time norms. Conversion of some factories to wartime production was apparent in all ORANGE-bloc countries.

p. E - 4 On the sea, the situation became especially serious with severe harassment of Western merchant vessels, particularly those known to be carrying vital supplies to continental Europe. ORANGE propaganda attacked the legality of the 500 meter safety zone around North Sea oil platforms, and in a signed PRAVDA article declared that no country not a party to the Treaty establishing such zones was bound to respect them.

q. E - 3 In response to the growing ORANGE threat against the Southern Flank, the DPC approved deployment of the AMF(L) from Denmark to the Turkish Thrace.

r. E - 2 During a hot-line consultation at the initiative of the US President, the General Secretary of the ORANGE Communist Party decide to accept an invitation that special representatives of ORANGE and the US meet in Geneva as soon as possible to discuss the deteriorating situation. He appeared to be genuinely motivated by concern over the course ORANGE activities were taking vis-a-vis BLUE.

s. E - 1 At a meeting of the Politburo held to confirm the General Secretary's acceptance of the US offer and to designate a representative, unexpected resistance to the idea surfaced within a group of well-known hardliners which managed to sway the majority of Politburo members. The US was subsequently informed of ORANGE's rejection of the US proposal. No reason was given.

III. BLUE LEAD-IN SCENARIO

AUTUMN 1978

1. Throughout the last half of 1978 and the beginning of 1979, despite some signs of improvement, the economic conditions of Western nations were far from satisfactory. Economic inducement measures had not fulfilled expectations; general economic recovery was slow. Largely due to the necessity of meeting their own specific requirements, Western nations as a whole were not able to agree on a common programme to combat inflation and unemployment.

2. During the same period, some Western nations, particularly the United States and the FRG, witnessed an upsurge of anti-establishment activities. Although initiated by very small radical groups, the protest appeared to have some effect on larger segments of the population, particularly as a result of heavy media coverage. In the UK, trade unions stiffened their position in the wage negotiations which had been deadlocked for some time and took their case to the streets by public demonstrations against individual companies. Labour unrest was prevalent in other countries, including Italy.

3. Several Western commentators and sociologists saw these problems as evidence of structural weakness in the present socio-economic system which in their view, had become increasingly unable to respond to the demands of the population for greater participation and reward in the economic sphere. Some well-known pacifist leaders also joined in the public debate by appealing to their respective governments to curtail defence spending and to allocate those resources to the promotion of new facilities catering to the needs of youth.

4. During this period there was also some disarray among Western countries over certain important policy issues. In particular, despite a general recognition of the need to develop a common stance, Western nations continued to disagree about nuclear export policies.

NOVEMBER 1978

5. Towards the end of 1978, Western political figures and commentators viewed East-West relations with steadily growing concern. Considerable alarm was expressed about the anachronistic militancy of the new ORANGE leadership, but Western reaction was mixed. Some observers tended to make no significant distinction between the previous and present leaders, but more were suspicious of ORANGE intentions.

6. The internal developments in Poland and Hungary evoked considerable attention in the West. Western leaders emphasized the importance of human rights and reminded the East that all CSCE participants had made a commitment to pursue internationally agreed policies. Western media carried critical articles and reporting on the repressive measures adopted by both countries and other Eastern European governments.

7. By the end of November, Western leaders were deeply disturbed about the ORANGE propaganda campaign against the West. The process of détente was increasingly questioned by political leaders and some ORANGE specialists. In an amendment to a foreign trade bill, the US Congress directed the Executive Branch to review détente as a policy goal, in light of ORANGE aggressiveness. In all Western countries, public opinion polls indicated widespread doubts about continued attempts at economic and political accommodation with the East. In the Federal Republic an Allensbach Institute poll showed that only a ^{minority} / of German voters continued to favour Bonn's Ostpolitik.

8. ORANGE disregard of Western attempts to regulate fishing within the 200 mile zones during this period contributed to the deterioration of East-West relations. It was becoming more difficult for Western leaders to justify to their respective constituencies the continuation of economic and trade relations with the East. Conservative elements of the Western political spectrum began to call for a total cessation of trade with nations of the ORANGE Bloc.

DECEMBER 1978

Council

9. As tension between East and West mounted, the North Atlantic meeting at the level of Foreign Ministers in December received a high degree of public interest. The Council reaffirmed the solidarity

of the Alliance and drew the attention of ORANGE to its international obligations and previously stated firm commitments to peace.

JANUARY 1979

10. From January onwards Western media devoted considerable attention to events in Yugoslavia. At the request of several members the North Atlantic Council kept the Yugoslav situation under constant review. Some Western Embassies in Belgrade reported ORANGE was causing agitation through hardlining pro-ORANGE elements in Yugoslavia, in order to stimulate internal dissention.

11. In the first days of January, at the request of Danish and Norwegian representatives, the North Atlantic Council reviewed the situation on the Northern Flank. After a lengthy Council meeting, the NATO spokesman reaffirmed the solidarity of the Alliance and the determination of the Allies to defend their territory.

12. A few days later, Danish and Norwegian Foreign Ministers informed the Allies of ORANGE overtures for the creation of a new regional scheme that would involve the participation of ORANGE with the Nordic countries. Subsequently the Norwegian and Danish Prime Ministers publicly revealed the ORANGE overtures and expressed deep concern over this evident ORANGE attempt to separate their countries from their traditional allies and friends. They vigorously opposed any interference in their national affairs.

13. With concern mounting in the West over the apparent direction of ORANGE policies and intentions, an emergency meeting of Western Foreign and Economic Ministers was held in London during January. The communiqué of this meeting affirmed the necessity of viewing trade and economic relations as part of the overall relationship between East and West. As a result of this meeting Western authorities moved swiftly to revoke licenses and reinstate far-reaching export controls directed against ORANGE Bloc countries.

14. Reports by Western oil companies engaged in drilling operations in the North Sea indicated violation of safety zones around installations by ORANGE ships, despite repeated warnings. Companies approached the UK and Norwegian Governments to receive guidance and instructions on how to handle such incidents.

15. In early February Denmark and Norway informed the Allies of ORANGE démarches requesting unrestricted passage for ORANGE Bloc naval vessels into the North Sea. In addition, the Danish government informed the Allies of a further ORANGE demand to refuse NATO permission to hold amphibious landing forces in Jutland. The Danish and Norwegian representatives in the North Atlantic Council informed the Allies of their governments determination to reject ORANGE demands and asked NATO support for their position. After a brief discussion the North Atlantic Council agreed to support Danish and Norwegian policy decisions and approved a statement to be issued at the appropriate time.

E - 30

16. In co-ordinated action, the Danish and Norwegian Foreign Ministers called ⁱⁿ the ORANGE Ambassadors in their respective capitals to receive diplomatic notes rejecting ORANGE demands. The notes, similar in tone and substance, described ORANGE demands as "unreasonable" and "contrary to national interests and established policies". ORANGE demands and the Danish and Norwegian responses to them were immediately published by the Offices of the Prime Ministers of these two countries. Immediately afterwards, the NATO spokesman announced the Council statement supporting Danish and Norwegian policy decisions.

17. Western media reports and statements by various political leaders showed a solid support for the stance taken against ORANGE and stressed the indispensable rôle of the Alliance in defending the West against increasingly visible ORANGE threat.

E - 20

18. In view of the alarming deterioration in East-West relations combined with large scale Bloc military exercises and increased ORANGE harassment at sea, the DPC, upon the request of the military authorities, decided to reinforce NATO units deployed in Europe. While taking this decision, the DPC stressed the defensive nature of this measure and agreed to make every conceivable effort and use all available means to moderate ORANGE behaviour and thus reduce the risk of a confrontation.

E - 16

19. In view of the current situation and ORANGE bloc activities SACEUR declared a state of Military Vigilance.

E - 12

20. Recently intensified ORANGE pressures on Yugoslavia were highlighted by the visit of a high level ORANGE Delegation to Belgrade. Meanwhile^{an} ORANGE propaganda campaign tried to present the Yugoslav situation as a matter concerning only the Socialist world. Reports from Western Embassies at Belgrade indicated Yugoslav determination to resist all ORANGE demands for a change in their independent and non-aligned status. Concerned by these developments, the Allies continued to keep the Yugoslav situation under constant review and discussed possible approaches to ORANGE in order to lessen pressure on Yugoslavia.

E - 10

21. Concurrently with a Yugoslav appeal to all neutral, non-aligned and Third World nations to support their efforts to remain independent and non-aligned, Western governments were^{themselves} put under pressure by their own public demanding NATO action in support of Yugoslavia. Western media lent^{their} support to the Yugoslav appeal, and some Western leaders in their bilateral discussions with certain members of the non-aligned group encouraged them to use their power and influence in order to protect the integrity and independence of Yugoslavia.

E - 6

22. In the light of the extremely grave situation, the Prime Minister of Luxembourg, a highly respected leader in European and Atlantic institutions, undertook a peace mission to the ORANGE capital. However, his attempts to convince the ORANGE leadership of the true intentions of the West fell on deaf ears; his endeavours to persuade the ORANGE government to change course met with failure.

E - 2

23. In a further attempt to avoid any possible confrontation with ORANGE, the President of the United States, through the hot-line, expressed his grave concern over the apparent direction of ORANGE policies and proposed that special representatives of

the two leaders should meet, as soon as possible, to discuss the international situation. / ^{The} ORANGE leader responded positively to this proposal and agreed to send his personal emissary to Geneva to meet his American counterpart.

24. This unexpected sign of moderation by the ORANGE leader raised Allied hopes for the possibility of containing the crisis situation. The NATO spokesman reflected this mood in a statement expressing cautious optimism on the outcome of recent diplomatic efforts to moderate ORANGE behaviour.

E - 1

25. ORANGE conveyed to the United States its decision to cancel the meeting of special representatives of the two leaders without giving any specific reason. On the same day, at the request of the US Delegation, the DPC met to discuss this serious turn of events. However, available information did not provide for a comprehensive assessment of the situation and the DPC agreed to meet again the following day.

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