

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

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To: Members of the Political Committee

From: Acting Chairman

RELATIONS WITHIN THE WARSAW PACT

Attached is a draft report on relations within the Warsaw Pact prepared by the International Staff in the light of national contributions. The section describing Pact institutions will be circulated shortly in a separate Annex.

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

RELATIONS WITHIN THE WARSAW PACT

1. The Soviet Union regards control over its East European glacis as being vital to its security interests and accordingly seems unlikely to relinquish its hold on these countries. As past experience has shown, it would be prepared in the last resort to use force to maintain its present position; however, it also possesses a wide range of political and economic levers enabling it to avoid resorting to this extreme solution.

2. None the less, relations between the Soviet Union and its Warsaw Pact partners are constantly evolving. While some of the factors at play are common to all the countries concerned, there are individual factors which also have to be taken into account for certain countries.

I. BACKGROUND

3. The Soviet attitude to Eastern Europe has evolved gradually since Stalin's days, when direct interference was usual. Already in the time of Khrushchev, Moscow began to allow Eastern Europe more latitude in domestic matters in spite of the Hungarian crisis of 1956. Brezhnev tolerated Romania's assertion of some independence in foreign policy; however, he was alarmed by Czechoslovakia's rapid move to a more pluralistic society, with the risk of a change of régime and of the country's withdrawal from the Warsaw Pact. He has subsequently tried to prevent similar crises by exerting pressure to increase political cohesion among his Warsaw Pact partners and to promote economic integration within COMECON.

4. The Soviets have attempted to strengthen existing multilateral institutions and to set up new ones, while continuing to attach fundamental importance to their bilateral relations with the East European countries because this, in their view, provides a more effective way of detecting and

controlling any deviations. Treaties of friendship, co-operation and mutual assistance between the USSR and each of its Warsaw Pact partners are based on the preservation of "Socialist internationalism" and underwrite the Brezhnev Doctrine of limited sovereignty.

5. The invasion of Czechoslovakia in 1968 and the subsequent events brought out differences between the Pact members who had participated in the invasion and those who, like Romania, had condemned it and continue to oppose greater cohesion in the Warsaw Pact. The survival of Ceauçescu clearly indicates that there are limits to Soviet power; the other East European leaders, however, have less room for manoeuvre than Romania for various strategic and economic reasons.

II. IDEOLOGICAL CO-OPERATION

6. The Warsaw Pact régimes have most in common in the ideological field, where the prospects of co-operation are particularly wide-ranging. The Soviets make little distinction between the State interests of the USSR and the furtherance of Communist ideology, but this attitude is not always shared by their East European partners. They have accordingly been obliged to accept that they could no longer claim the leadership of the world Communist movement and to endorse in public the concept of different roads to Socialism. In order to maintain at least the semblance of a united front at the Conference of East European Communist parties in East Berlin in June 1976, they were obliged to accept a wider measure of autonomy for the East European Communist parties; in particular, they endorsed formulations guaranteeing "strict observance of the equal rights and sovereign independence of each Party" and "responsibility of each Party vis-à-vis its own working class and its own people". However, they subsequently attempted to reinterpret the Berlin document to reassert the primacy of the Soviet model.

7. This ideological co-operation embraces both the development of common concepts and their subsequent translation into political action. Examples of this are the emphasis on social and economic human rights and the campaigns against the neutron bomb and China after the Ideology Conference in Budapest in February 1978. The Sino-Soviet conflict also best illustrates the difficulties experienced by Moscow in securing a consensus on a uniform Warsaw Pact line. Romania, for its part, believes that ideology conferences should merely be an exchange of views without any participant having the right to criticise its allies' policy.

8. In practice, the Central Committee secretaries responsible for ideological matters co-ordinate decisions on the most important issues. In addition to the bilateral contacts between the different Party apparatuses, there are also regular conferences (about once a year) of Central Committee secretaries for foreign affairs and ideology and (less frequently) of the secretaries responsible for training cadres. These conferences are generally attended by Mongolia and Cuba as well as the Pact members. There is also active co-operation between scientific institutions and various groups of artists and intellectuals; in view of the high prestige of the Science Academies in these countries, their theoretical conferences play a pre-eminent rôle in this context.

9. There is a very distinct convergence of interests between the leaders of the Soviet Union and those of the other Pact countries, mainly owing to the identical ideological basis and structures of their systems, the similarity of their outlook and the close links between them, and also because of the very largely-held conviction among the "apparatchiks" in Eastern Europe that they can remain in power only if they co-operate closely with Moscow. Nevertheless, the policies in Warsaw Pact countries do reflect national peculiarities:

Poland allows a measure of religious freedom and tolerates certain underground publications, and there is still a large share of private ownership in Polish agriculture; the reception of Western television broadcasts is tacitly condoned in the GDR, while the Hungarian authorities do not interfere with the development of the "new economic mechanism" in Hungary.

III. POLITICAL AND MILITARY CO-OPERATION

10. For the East European countries the Warsaw Pact, with its system of treaties of friendship, mutual assistance and co-operation and underlying agreements on the stationing of forces, is a basic instrument of their security. The Soviet Union has a moderating influence on the frontier issues stemming from the Second World War and on the minority conflicts opposing certain East European countries. In addition, its superpower status provides the most reliable guarantee against the hazards of contamination from the example set by the West and of popular uprisings. For some of its members, in particular Poland and Czechoslovakia, it is an insurance against an alleged resurgence of German militarism, a myth assiduously kept alive by Moscow.

11. In the military sphere, the strength and weaknesses of the Warsaw Pact are due to the fact that it is not strictly speaking a free association of partners with equal rights but is dominated by the USSR. The High Command is in Soviet hands and its plans are drawn up and implemented under Soviet control. Centralization does indeed present certain advantages, but its excesses lead to considerable delays in circulating information in times of crisis or war. The Soviet Union's mistrust of its allies also helps to produce this result.

12. On the whole, the East European countries have welcomed the policy of détente for they see in it not only an opportunity of enlarging their room for manoeuvre vis-à-vis

Moscow by giving them greater scope to promote relations with the West and the Third World but also a means of allocating more resources to economic growth.

13. In Moscow, however, this state of affairs has generated the feeling that greater co-ordination is required; this may be seen in the increasing number of bilateral and multilateral meetings among Pact members as détente has advanced in the present decade. The establishment in 1976 of a Committee of Warsaw Pact Foreign Ministers could well be due to this concern.

14. Generally speaking, the Soviet Union is able to ensure that its allies toe the line when it comes to major foreign policy decisions. Nevertheless, they are more reluctant to commit themselves militarily or financially in a Sino-Soviet confrontation. Where possible, there is some division of labour to put common policy into practice; for example, the GDR is given an active part in fostering the national liberation movements in Africa. On the other hand, in the United Nations and other international bodies, rather than a distribution of rôles there is a consensus regarding the main directions in which everyone's efforts have to be concentrated.

15. This appearance of cohesion, however, has been compromised in recent years by Romania's refusal to come round fully to its partners' views. The diplomatic and military defiance publicly hurled by Mr. Ceauçescu following the November 1978 meeting of the Warsaw Pact's Political Consultative Committee was a veritable turning-point in this regard. Romania refused to join its partners in signing a declaration on the Middle East. Also, it took a negative stand on three Soviet proposals: no to the establishment of a very high-level integrated military body to co-ordinate the activity of the allied forces, with much wider powers than those of the

present unified command of the Pact; no to a rise in the military expenditures of member countries; no to the co-ordination of military budgets.

16. The Romanians have subsequently pursued this independent line within the formal framework of the Warsaw Pact and COMECON as well as on the international scene. On the whole, they are against any initiative which they consider a challenge to their national sovereignty. However, it is difficult to see what could prevent Moscow and its most faithful allies, without Romania, from deciding on joint measures, in the military sphere as well. After all, Moscow did without Romania's aid when it invaded Czechoslovakia in 1968. For many years, Bucharest has been refusing to organize Warsaw Pact manoeuvres, apart from Staff exercises, on its territory. In addition, it does not appear well disposed to an extension of the Pact's area of application to Asia. However, the Romanian problem has political rather than military implications: the divergences with Romania are a challenge to the cohesion of the Socialist camp and the USSR's hegemony within it.

IV. ECONOMIC CO-OPERATION

17. Having been cut off from their traditional sources of supply and from their markets at the end of the Second World War, the East European countries were inevitably drawn into the Soviet Union's economic orbit and this dependency has continued ever since. It varies from country to country and from product to product but, with the exception of Romania, remains substantial.

18. During Stalin's reign, the East Europeans were encouraged to follow the Soviet model of economic development with its emphasis on heavy industry and the quest for autarky. The Council for Mutual Economic Assistance (or COMECON) set up in 1949, was, however, unable to increase economic co-operation within the Soviet camp. Khrushchev's efforts to achieve some

measure of specialization came up against opposition from Romania which balked at the prospect of any form of supra-national control. At the start of the present decade, a number of new factors emerged which had contributed to the creation of a new situation in the COMECON: the USSR has repeatedly said that it will be unable to meet in full the East Europeans' growing requirements for new materials and energy; economic relations with the West have increased in unexpected proportions; prices within the COMECON are tending to catch up with world market prices; Moscow is exerting pressure on its partners to achieve greater specialization in its zone of influence and to play a greater part in the harnessing of its natural resources.

19. With the exception of Poland, which has sufficient coal deposits to cover its imports of other forms of energy, and Romania, which is rich in oil and natural gas but whose reserves are expected to run out within about ten years, the East European countries have been dependent for many years on energy supplies from the Soviet Union. Faced with declining production, however, the Soviet Union intends to hold down its deliveries in the years 1981-1985 to a level of only 20% above deliveries during the current five year period. In view of their growing needs, the East European countries will thus have to import more oil from the Middle East. The volume of these imports which in 1978 came to 10 million tons or 10% of total imports, is expected to rise to 25 or even 30 million tons, representing between 24% and 27% of total imports, in 1985.

20. Romania which, in 1978, produced 14 million tons of oil and imported only 10 million tons, hopes to become self-sufficient in energy by 1990. Even with a radical programme of conservation and substitution, these goals seem excessively ambitious and Romania will still need to import some 20 million tons of oil in 1984 with the volume of oil refined and re-exported remaining unchanged at about 5 million tons.

21. The member countries of COMECON are planning to increase nuclear capacity fourfold by 1990. The effects of this programme will be long-term, however, and there will be hardly any change in the energy balance over the next five years.

22. Trade relations within the COMECON are governed by five-year agreements and annual protocols. Although this bilateralism provides guaranteed markets, it makes the East European countries over-dependent on imports of Soviet raw materials which have to be paid for in manufactured goods. Trade with the USSR is particularly important for Bulgaria which has always been a privileged partner. It is much less so for Romania which is seeking to diversify its sources of supply. As for East Germany, Hungary and Poland, despite the jump in their purchases of Western equipment in recent years, about 30% of their foreign trade is still with the Soviet Union.

23. While trade with the individual East European countries accounts for only a small proportion of the USSR's total trade, (10% in the case of the GDR which is its main customer and supplier in the Socialist camp), trade with Eastern Europe as a whole is substantial. The growth of economic relations with the West having led to a large deficit in convertible currency, the volume of such trade has remained fairly steady after a significant dip in the period 1975-1980.

24. In essence, the Soviet Union provides its East European partners with raw materials and energy. Its principal imports from those countries consist of machinery and equipment, chemical products, consumer goods and agricultural produce. In the case of some exports, the East European countries are heavily dependent on the Soviet market; over three-quarters of the GDR's chemical equipment goes to the USSR, over 80% of Hungary's pharmaceutical exports and 70% of Poland's. The Soviet Union takes over two-thirds of Czechoslovakia's railway vehicle exports and nearly 90% of its non-electric power machinery.

25. East European dependence on Soviet raw material supplies has certain drawbacks for the USSR. The latter has to forego the sale of its oil surplus against convertible currency and is compelled to buy East European equipment which is of a much poorer quality than what is available in the West.

26. In the first half of the present decade, the East Europeans had accumulated surpluses on their trade with the USSR. Since 1975, the picture has changed dramatically and there has been a substantial improvement in the USSR's terms of trade vis-à-vis East Europe following the CMEA price reform adopted that year.

27. In view of the very slow pace of economic co-operation within the COMECON, Moscow persuaded it, in 1971, to adopt a "complex programme" applicable up to 1990. Emphasis was placed in this programme on specialization and standardization of production and some measure of currency convertibility between member countries. These measures proved over-optimistic and the CMEA Council at its 30th meeting, in Berlin in 1976, adopted more cautious schemes in five major sectors of industry (engineering, energy and raw materials, agriculture and the food industry, consumer goods and transport).

28. Moscow's economic hold over its partners has not, however, precluded increased East European trade with the West. Their freedom of action in this area is, however, limited by their dependence on the Soviet Union for their raw materials and energy supplies. It is in the interest of the East European countries to continue to buy from the Soviet Union where prices are below world market levels. The Soviet Union is, therefore, likely to succeed in its efforts to increase East European participation in projects to develop its raw material resources. On the other hand, it will probably meet with more resistance in its efforts to secure closer co-operation in other fields.

Romania has consistently been against the introduction of supranationality in the COMECON and its concern in this respect is probably shared by Poland and Hungary. As for the success of the economic reforms introduced in the various countries, this will depend to a large extent on the degree of tolerance shown by Moscow which has every reason to welcome improvements in the economic position of its partners provided that Communist orthodoxy is not threatened.

V. LIMITS OF SOVIET TOLERANCE

29. There are several possible explanations for Moscow's tolerance of Romanian activities. To start with, it must not be forgotten that the divergencies have developed very gradually and this has served to prevent direct and brutal confrontation. In Hungary and Czechoslovakia, on the other hand, the internal situation which prompted Soviet intervention had changed abruptly and had reached a crisis point in less than a year. So sudden a change appeared to the Russians as a threat to their fundamental interests. The Romanians, on the other hand, have always been careful to make a conciliatory gesture after each act of independence and have consistently proclaimed their loyalty to the Warsaw Pact. Despite its desire for independence, moreover, the Romanian leadership has enforced a strictly orthodox policy at home. Finally, Romania's geographical situation is such that it is not of vital importance to Soviet security.

30. The other Warsaw Pact countries do not show any outward sign of sympathy for the hankering after independence of their Romanian partner. Their feelings in this respect can be described as a mixture of irritation (the positions adopted by Romania are often at variance with their own national interests), envy (paradoxically Romania seems to exert a disproportionate amount of influence within the Pact and plays a leading rôle in international affairs) and admiration. Romania can also be useful to them by creating precedents and by acting as a barometer of Soviet intentions.

31. The three principal features of Romania's more independent attitude - gradual progress towards autonomy, relatively orthodox domestic policy, geographical situation - are not to be found together in the other Pact countries. The latter consequently fall in, to a large extent, with Soviet foreign policy although with varying degrees of enthusiasm. In Poland and Hungary, domestic policy is more liberal than in the Soviet Union which means that those countries must be more disciplined in foreign policy matters. The national interests of those countries, as perceived by their leaders, are often closer to those of the Soviet Union than to those of Romania which means that they stick more closely to the Soviet line. This explains why the unpopular government of the GDR regards the Soviet Union as the custodian of its survival. In contrast with Romania, its northern neighbours do not regard themselves as developing countries. Neither the GDR nor Hungary therefore share Romania's enthusiasm for a new world economic order. It seems clear that even if the degree of autonomy exercised by the other Pact countries in foreign policy matters were to increase, these countries would not necessarily end up by adopting variations on the Romanian theme.

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CONCLUSIONS

32. The overwhelming disproportion between the military, political and economic strengths of the Soviet Union, on the one hand, and its Warsaw Pact allies, on the other hand, enables the Russians to dominate Eastern Europe. Nevertheless, the Russians are having to take ever greater account of a faint, but gradually increasing, tendency among certain East European countries to defend their own national interests. The Soviet Union is prepared to tolerate a few divergencies which do not threaten the conformity which is the golden rule of the Pact to the extent that this tolerance makes it easier for it to retain its hold. It is concerned to give an impression of

reasonableness to the West and the less committed Third World countries and to prevent further dissension within the international communist movement. Nevertheless, there can be no question of tolerating any hankering after defection. The Soviet Union will attempt to preserve its influence by cultivating the present and future leaders of Eastern Europe in the hope of ruling these countries by proxy, thus avoiding the need for direct intervention. If the need arose, however, it would have no hesitation in resorting to such intervention.