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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 15th-19th November, 1971, ten member countries were represented. National reports, most of which were long and detailed, were submitted by five countries (France, Germany, Italy, United Kingdom and United States).

2. The attached report prepared by the Working Group covers the period from May 1971 and was completed on 19th November, 1971. It is divided into four parts, as follows:

- Part I: General Outlook and Policy Implications
- Part II: Soviet Internal Affairs
- Part III: Soviet External Policy
- Part IV: The Outlook in Eastern Europe

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

PART I: GENERAL OUTLOOK AND POLICY IMPLICATIONS

1. Following the XXIV Congress of the CPSU, the Soviet leadership seems to have gained confidence in its own stability and continuity, and the pre-eminence of Brezhnev has been confirmed. At the same time, the Soviet authorities continue to be seriously concerned with the problem of overcoming the economic deficiencies of the USSR, particularly in the tempo of technological advance - deficiencies which compel them to draw on the work and knowledge of the West.

2. The USSR, as a global power, has now to adjust to increasing Chinese participation in world affairs; this has not induced the USSR to revert to isolationism or ideological extremes, but on the contrary has led to intensified Soviet diplomatic activity throughout the world, to the confirmation of existing Soviet policies toward the West and to a more pragmatic and sophisticated approach.

3. The thrust of Soviet policy has been on the one hand to deepen its existing dialogue with the United States and, on the other, to give increased attention to Europe, where the USSR is pursuing a policy of détente and showing readiness to improve political relations. The most fundamental Soviet objectives continue to be the consolidation of the status quo, the expansion of influence in European affairs, the withdrawal of American forces from Europe, the slowing down of West European integration and the creation of opportunities for increased exchanges, especially in trade and technology. Political stability in Europe is sufficiently important for Soviet global policy that the leadership has been prepared to negotiate seriously and to encroach upon the interests of their Allies to achieve it, as was illustrated by the signature of the first part of the Four-Power Berlin Agreement.

4. While the USSR is seeking to consolidate its position in Europe, it is also seeking to formalise its relations with a number of other states through treaties and other instruments. Through these more flexible approaches, the USSR may hope to gain a say in matters in which it has previously not been directly involved.

5. On MBFR, it seems apparent that the USSR has not yet been able to establish a policy, and therefore may not be willing for some time to get down to detailed negotiations. On CESC, the USSR, with the support of its Allies, has recently intensified the campaign for the commencement of multilateral preparatory talks, but it has been left unclear how far the USSR would be willing to enter into meaningful agreements in a Conference.

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6. A number of East European countries appear genuinely interested in normalising their relations with NATO members and in arriving at greater and more meaningful exchanges. It would appear that a sympathetic reaction to East European overtures would be in the West's interest inasmuch as it could promote more independent thought in the area and contribute to a better understanding of the various nations' aspirations and ambitions. At the same time, prudence would seem to dictate that the East Europeans, rather than the West, should take the initial step.

7. Current trends in Soviet policy, if maintained, offer possibilities for progress in East/West relations, but this policy contains a dynamic and offensive component which can best be met by a united and determined attitude on the part of the Allies and the resolute preservation of their solidarity.

PART II: SOVIET INTERNAL AFFAIRS

8. Setting aside the fact that Brezhnev has slowly but quite definitely gained ground vis-à-vis the other members of the "collegiate" leadership, the overriding impression following the XXIVth CPSU Congress insofar as domestic policy is concerned, is one of continuity and stability. Rather than embark on radical changes, the Soviet leaders prefer to steer a middle course and resort to concessions and temporary expedients; their main concern is with economic problems while, at the ideological level, they are inclined to mark time.

9. Since the Congress, Brezhnev has cut a more convincing figure as the top Soviet leader. Now that he is apparently well-established in his own country, he seems to be striving for international recognition. To further this end, he insists on having the main say in domestic and foreign policy.

10. His increasingly prominent rôle is not necessarily opposed by his colleagues who are still closely consulted on policy matters, and there are no indications at the moment of serious differences in the leadership. However, Brezhnev's pre-eminence could expose him to criticism, especially if foreign policy initiatives with which he has personally associated himself encounter set-backs. Kosygin, despite renewed rumours about his impending retirement, and Podgorny continue to play active and important rôles in the leadership.

11. On the economic scene, the topics highlighted during the past six months have not changed from what they were over the previous two years: a higher standard of living through increased output of consumer goods and higher investment in agriculture, the improvement of management techniques and the assimilation of scientific and technological advances. The policy now seems to be to combine a more up-to-date approach to organization and management with the orthodox and traditional methods of close Party supervision of industry and "socialist competition". The leadership is therefore attaching considerable importance to the possibility of drawing on Western credits and technology, and is pinning its hopes on computers to achieve rational economic management.

12. The delay in finalising the text of the Five Year Plan has probably been due to the practical difficulties of compiling a more complex plan than in the past as well as to renewed arguments over resource allocation.

13. The hard ideological line has not been relaxed. The activities of dissident intellectuals continue but the Soviet authorities seem content to contain the movement within certain bounds by a policy of careful surveillance and occasional arrests. Jewish elements have continued to demonstrate in an effort to secure the recognition of their right to leave the country and their aspirations have sometimes found support among these intellectuals.

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14. At the same time the régime is confronted by a number of serious problems, such as the nationalities question, the growing indifference in particular of youth to ideology, inadequate state and Party discipline.

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PART III: SOVIET EXTERNAL POLICY

15. Soviet policy toward the West has a priority and dynamic all its own. The Russians continue in general to seek a climate of détente, pursuing their general aims in Europe through a CESC. Europe is becoming the main focus of Soviet attention.

16. The aim of the USSR's European policy is to consolidate the territorial and political status quo, to slow down the further integration of Western Europe and to make the American presence appear unnecessary. The Soviet Union is intent on turning political and economic co-operation to its advantage. Recent developments relating to China have certainly had a strong impact on Soviet policy, but have only served to reinforce the above-mentioned line. The USSR began a process of formalising its relations in the Middle East and South East Asia by concluding friendship treaties with Egypt and India, which may account for the restraining influence Moscow now seems to be exercising in both areas.

17. The Soviet Union's immediate aims in Europe are to obtain ratification of the FRG's treaties with the Soviet Union and Poland and enhancement of the status of the GDR. Although the Soviets have never liked the linkage of the Berlin Agreement to ratification of those treaties and to CESC, they have admitted its de facto existence. On the other hand, there is some indication of a "reverse linkage" by Moscow tying implementation of the Berlin Agreement to ratification of the FRG-Soviet Treaty. Moscow appears to be bringing pressure on the GDR for a rapid conclusion of the inner-German talks.

18. Arguing that the Berlin Agreement has created a "favourable atmosphere" for a CESC, the Soviets are now pressing for an early preparatory meeting to fix an agenda, date and procedures. However, it is not clear how soon they envisage the main conference taking place. While Soviet motives regarding a conference have remained ambiguous, it appears that the goals they are trying to achieve include the following:

- (1) general recognition of the territorial and political status quo in Europe;
- (2) permanent Soviet participation in the political affairs of Europe; and
- (3) greater access to Western technology and know-how.

The Soviets may hope to attain another major objective, international recognition of the GDR, prior to a conference.

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19. With regard to MBFR, although the USSR has evidenced a willingness to discuss reductions of both stationed and indigenous forces, it has shown a distaste for the idea of asymmetrical reductions, and it would appear that it has not yet made up its mind on how to deal with this matter in detail. Therefore, Soviet public statements and bilateral explorations thus far have produced an incomplete picture of Soviet intentions. As the first tangible successes of SALT, the US and USSR on 30th September signed two agreements: one on measures to reduce the risk of outbreak of nuclear war and the other on improving the hot line. A new round of negotiations has begun in Vienna.

20. During the past six months Soviet diplomacy has been in an active phase, marked by a significant increase in personal meetings between Soviet and foreign leaders at the highest level.

21. In their relations with Washington the Soviets have attempted in recent months to be more forthcoming on bilateral issues. The improvement of US-Soviet relations became most evident in the 12th October announcement of President Nixon's projected visit to Moscow, which the Soviets may consider as an occasion to re-establish an exclusive Soviet-American dialogue. Bilateral relations with China have remained in a state of suspended animation, with each side trying to outmanoeuvre the other. The Sino-Soviet border remains quiet, but there has been no evidence of progress in the border talks and little in other areas of bilateral relations.

22. A sharp increase in Soviet anti-Chinese propaganda in the summer was probably related to the announcement of President Nixon's visit to Peking.

23. Podgorny's recent visit to Hanoi probably did not achieve all that the Soviets intended but it served Moscow's propaganda purpose of demonstrating that the Soviet Union is a much more faithful friend than China for those engaged in wars of national liberation. Recent developments concerning Asia have convinced Soviet leaders of the importance of improved relations with Japan; thus far, the main thrust has been in the economic field. There has been less hostility toward Japan in Soviet propaganda, but the Soviets have showed no signs of lowering their terms to achieve better relations nor of giving ground in their rejection of Japanese territorial claims.

24. In the context of the Indo-Pakistani dispute, the signature of the Treaty between the USSR and India was intended by the Russians to increase their influence in the area. At the same time, in spite of her basic pro-Indian tendency, the Soviet Union is working towards a balanced political solution which makes it more difficult for Peking to gain a political footing in the sub-continent and which is also designed to maintain, if possible, Pakistan's unity as a state.

25. In the Middle East, the Soviet Union has been occupied in retaining its hold in the face of political set-backs. It has maintained its military support for Egypt while continuing to work for a political settlement of the Arab/Israel dispute.

26. Both the United States peace initiative and the purge of several of the Russians' most prominent friends in the Egyptian hierarchy were damaging to Soviet interests; however the conclusion of a friendship treaty with Eghpt conceded the USSR a more direct interest, on paper at least, in Egyptian political affairs. The Russians may now be reconciled to doing business with Sadat despite their disapproval of some of his policies. They probably hope that their ever-increasing stake in Egypt will continue to give them the power to restrain the Egyptian leaders.

27. Soviet prestige in the Arab world suffered another blow from the events in the Sudan in July. Perhaps partly as a response to these set-backs in the Middle East the Russians have begun to diversify their relations in the area by reviving their contacts with Algeria and Morocco, through visits by Kosygin. Other set-backs to the expansion of Soviet influence were suffered in sub-Saharan Africa, notably in Ghana, Zaire, the Central African Republic and Zambia.

28. Although the range of Soviet activities with Chile has expanded during the past six months, neither this development nor the state of relations with other Latin American nations represents a major shift of Soviet attention to the area.

PART IV: THE OUTLOOK IN EASTERN EUROPE

General Outlook

29. In preparation for further steps towards détente in East-West relations and in response to the Sino-American rapprochement, the Soviet Union is devoting considerable attention to the consolidation of the socialist camp. The unsettling effects of the internal crisis in Czechoslovakia (1968) and in Poland (December 1970) have largely been overcome. Rumania continues to create major problems within the Warsaw Pact. The war of nerves - which has now been discontinued - which the Soviet Union initiated through allies (Hungary, Czechoslovakia) against Ceausescu's foreign policy (particularly towards China) reflected considerable displeasure, the most notable and serious symptom of which was Ceausescu's exclusion from the Crimea meeting of East European leaders on 2nd August. However, the Soviet leaders apparently decided, towards the middle of August, to put an end to tension in South East Europe. At about this time Brezhnev decided to accept Tito's long-standing invitation to visit Belgrade and the announcement of this visit contributed strongly to a conviction in the Balkans that the Soviet Union would not aggravate the situation by further worsening its relations with Rumania. The Soviet attitude was further underlined by the cancellation of the projected Warsaw Pact manoeuvre ISTOK in Bulgaria. The renewal of high-level contact between Rumanians and Hungarians is indicative of the same trend.

30. At the 27th-29th July CEMA Council session the member countries agreed upon a 15- to 20-year programme for developing "socialist integration". The programme is more a detailed declaration of intent than a binding agreement. What has emerged is a set of proposals covering a wide range of economic activity, which provide the Russians with a framework within which to press for closer integration, and yet are flexible enough to allow the more reluctant members of the group to temporise and to keep at least some of their options open.

Poland

31. Gierek has devoted his first year of office to re-establishing order by granting certain concessions to the workers and by attempting to satisfy the grievances of other segments of the population. He has confirmed his position at the centre of the Party apparatus by neutralising the influence of General Moczar and in progressively placing in posts of responsibility strong supporters of his own policies and methods. He has pursued his efforts to rally all sectors of opinion to the cause of national development and has renewed the dialogue between Church and State.

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32. Gierak is trying to win public confidence by adopting a new style of government - a move that is especially necessary in view of the limited economic and political resources at his disposal. Change in style is evident in terminology: internal policy "guidelines" rather than "theses" have been issued for the Party Congress and suggest the possibility of a certain exchange of views rather than merely the imposition of the line from above.

33. The strong preoccupation with internal affairs is reflected in these guidelines, which have almost nothing to say about foreign policy.

Czechoslovakia

34. The internal situation in Czechoslovakia has been characterised by continued concentration on the policy of "normalisation", confirmed at the 14th Party Congress. As well as reorganizing itself the Party has progressively re-established its authority in the various sectors of Czechoslovak public life. This has been reflected in the exchange of Party cards which has resulted in a further drastic reduction of about 20% of Party membership since January 1970.

35. In foreign policy Czechoslovakia unconditionally follows the Soviet lead, while at the same time making attempts to re-establish herself in the West. However, the current exploratory talks with the Federal German Government have not yet produced any result.

Rumania

36. In Rumania the outstanding feature of the internal scene was Ceausescu's announcement in July of a 17-point programme for strengthening the ideological content of the educational system and eliminating cultural tendencies considered to be too liberal or bourgeois. This programme which is bound to please the orthodox communists in the East, was not only designed to limit certain "excesses" in the cultural field but constituted a widespread attempt at a deeper ideological penetration of the whole life of the people and at the evolution of "socialist man". The same general thesis was a feature of the November Party Plenum; steps to put this policy into effect were already under way although it is not clear how ruthlessly the authorities will pursue this line.

37. By pursuing a policy of good relations with all countries, Rumania continues to interfere with Moscow's efforts to promote unity of purpose in the socialist camp. In particular Ceausescu's visit to Peking led during the summer months to a further worsening of relations with the Soviet Union. This was followed by criticism of Rumanian

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policy in the East European press and by Ceausescu's exclusion from the meeting of Party leaders in the Crimea of 2nd August. Public criticism diminished following Brezhnev's visit to Belgrade. Recent public statements have indicated that Rumania will continue with its policies whilst maintaining a degree of co-operation with the Warsaw Pact and CEMA acceptable to the Soviet Union.

Hungary

38. The general elections held on the 25th July provided new possibilities for the nomination of candidates in addition to those sponsored by the Patriotic People's Front (PPF). There were more contested seats than in 1967 and in some cases the candidate preferred by the PPF was defeated. There were few changes in the new Presidential Council or the Council of Ministers. The implementation of the decisions of the 10th Party Congress continues with the introduction of moderate domestic reforms (e.g. decentralisation in certain administrative fields and the continuation of the generally-successful economic reform).

39. In foreign policy Hungary remains loyal to the foreign policy pursued by the Soviet bloc as a whole and has in many cases acted as spokesman of Soviet interests (e.g. Hungarian criticism of Rumanian policies during the summer months).

Bulgaria

40. Bulgaria remains the Soviet Union's most faithful ally and has recently been more active in developing its bilateral relations in the Balkans. In internal affairs Todor Zhivkov further buttressed his own position, rooted in his control of both the Party and Government machines and in firm backing from Moscow.

Albania

41. Albania continues to emerge slowly from its isolation. The Albanians have continued to improve relations with certain Western countries and with their neighbours. Albanian relations with the Soviet Union remain unchanged and Brezhnev's offer at the XXIVth CPSU Congress to improve relations met with an unequivocal refusal. Despite a rather cursory endorsement of the improvement in Albanian-Yugoslav relations, Yugoslav revisionism was strongly attacked in Enver Hodja's main speech at the Sixth Party Congress, presumably a reflection of traditional Albanian fears of a rapprochement between Belgrade and Moscow.

42. The 5th Five-Year Plan was approved in July and laid stress on the need to strengthen and expand the friendly relations with China and at the same time to extend economic and commercial co-operation with other countries.

Yugoslavia

43. The constitutional reforms which were introduced at the end of July transferred wide powers - especially in the economic field - from the Federal Authorities to the Republics and radically altered the political organization of the country. In the course of the sometimes violent internal political discussion on the reform, Tito was able to prevent the internal crisis from getting out of hand by energetic intervention in the conflict between the nationalities. Since the promulgation of the new constitution the situation inside Yugoslavia has become more stable and the way may now be open for concentrated effort to stabilise the economy, which has not satisfactorily responded to previous piecemeal measures.

44. The improvement of relations with the Soviet Union following Brezhnev's visit to Belgrade in September may also have a positive effect on Yugoslavia's relations with other countries of the Warsaw Pact. Relations with Bulgaria however are still dominated by the problem of Macedonia.

GDR

45. The Ulbricht era ended with the smooth assumption of power by Honecker. The political programme produced by the SED Party Congress in June avoided major changes in either foreign or domestic policy but revealed certain modifications of previously held positions. The leading rôle of the Party vis-à-vis the government machinery was reasserted; the cult of personality was abandoned and collective leadership newly emphasised; the GDR's claim to a special rôle in the socialist camp was dropped.

46. In the wake of improving relations between the FRG and the Soviet Union, the GDR was no longer able to maintain its claim for recognition under international law by the FRG as a condition to détente and has been induced to give up ground in connection with the agreement with Berlin. On the other hand, it clings to the policy of "abgrenzung" and seeks to assert its claim to sovereignty. Brezhnev's visit to Berlin in November appears as an attempt to reconcile GDR aspirations with overall Soviet interests, particularly with regard to the on-going intra-German talks.