

N A T O S E C R E T

ISD/176(Revised)

To: Members of the Senior Political Committee

From: Chairman

ALLIANCE STUDY OF EAST-WEST RELATIONS: PART II

I attach a revised version of the draft of Part II of the East-West Relations Study which incorporates amendments to Chapters A, B and C as agreed by the Senior Political Committee at recent meetings ending on 7th March. These amendments are underlined. I suggest that the revised text should be considered by the Senior Political Committee at its meeting on 28th March. It would be helpful if delegations would circulate in writing any comments before the meeting.

2. In addition, Chapter D of the attached text incorporates changes suggested by the authors in the light of the discussion in the Council's meeting with high-level Experts on 27th February.

(Signed) E.F. JUNG

This document consists of: 38 pages

N A T O S E C R E T

ALLIANCE STUDY OF EAST-WEST RELATIONS

PART TWO

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A. The Soviet Union and Eastern Europe in the Eighties -
an Overall View

1. Part Two of this study sets out first to identify and further refine the essential points which emerge from Part One.

2. A major change in the Soviet leadership will take place sometime in the coming decade. The nature of this leadership and the way it comes to power are important in estimating the kind of relationship the NATO Allies can have with the Warsaw Pact countries in the fourth decade of existence of the Alliance.

3. A reasonable assumption is that there may be a transitional leadership after Brezhnev; one composed of men in more or less the same age bracket, followed later by the generation of leaders now in their fifties. The latter will be better educated, more oriented towards the needs of a modern technological world, possibly less influenced by dogmatic ideology, more willing to try to revitalize it and give it a sense of purpose, but at the same time more nationalistic in a Russian sense, i.e. devoted to promoting the interests of the state under the control of Great Russians. But they will not necessarily be more open to Western influences than the present generation, and may well be considerably tougher and more rigid in their attitude to the West. For the foreseeable future, it is important to keep in mind that there is less essential difference between the attitudes and behaviour of the Soviet state and the Tsarist state which preceded it than between the Soviet state and the democracies of the West.

4. This leadership will have come up through the Party organization and will be strongly influenced by the need to justify Communist control of the country and to maintain the power and privileges which it has won for its members. The dominant rôle of the Party is reinforced by the

new Constitution which to all intents and purposes equates the Party with the State. Therefore the preservation of the leading rôle of the Party, and of discipline within it, will remain a major aim. This makes for a conservative society and one which has much to offer to those who conform, and everything to lose for those who resist. The overwhelming impact of such a society is enough to absorb all but the most obstinate elements, so that active dissent is not likely to be a much more important factor in the eighties than it is today.

5. The Soviet population as a whole is becoming increasingly educated and the contrast between Western society and that of the USSR constantly better known, by the intelligentsia in particular. However, those who oppose the régime on intellectual grounds will - even with a higher threshold of tolerance than hitherto - be kept under control, especially since the leadership need not fear support for them from the public at large. Dissent among intellectuals, therefore, will not be enough to cause the régime any serious problems, but it will make governing marginally more difficult and the leadership, always suspicious and feeling somewhat insecure, even more alert to possible opposition. However, if discontent were to arise among the industrial workers following a set-back to the slowly rising living standards, it would represent a serious problem.

[old paragraph 29,
3rd sentence
amended]

[old paragraph 29,
last sentence]

6. On the whole we are inclined to expect a leadership which will not differ radically in approach from the present régime but the possibility of attempted reform from the top, as happened in the case of Khrushchev, cannot be excluded. This could equally lead, as it did in his case, to a reversion to a hard line by his successors.

7. The new leadership will be faced with considerable problems, in particular in the economic field. They will certainly be aware of the qualitative gap between the Soviet economy and that of the West, a gap which is not likely to narrow significantly even if the USSR continues to acquire Western technology. Such acquisition amounts only to a partial, probably inadequate, means for avoiding the conflict between need for economic reform and fear of political reform. Economic pressures for reform will become increasingly strong but in a totally State-controlled society this also implies political reform and is therefore likely to meet with resistance, even if imposed from above, since, in the last analysis, for the Soviet Party and bureaucracy political factors will loom far larger than would be the case for a Western administration faced with problems of a similar magnitude.

8. Through the eighties, economic growth will slow down, while low labour productivity and the grossly uneconomic use of a stagnant or declining labour force will add to the problems of the economy. Natural resources will remain available in quantity, but their exploitation will in many respects be technologically difficult and uneconomic. For example, although oil reserves are huge, the extraction and transportation of oil from geographically remote and difficult areas are likely to create problems and possibly shortages of oil for the European part of the USSR and Eastern Europe. The USSR may become a net importer of oil. Oil shortages combined with existing structural features of the Soviet

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economy would seriously hamper its foreign trade, remove one of its few reliable sources of hard currency earnings, make it more vulnerable to outside political pressures and complicate its relations with Eastern Europe.

9. Agriculture will continue to be a problem. With 25% of the labour force (compared to approximately 5% in the USA and Canada) occupied in producing food, with tremendous and continuing demands for capital investment, and with a weather pattern which practically guarantees very substantial variations in yearly production of grains and other produce, agriculture can only be seen as a serious incubus on the economy and as a continuing drain on hard currency earnings which are likely still to depend largely on the export of raw materials and gold rather than manufactured goods, the quality of which is unlikely to become competitive.

10. The demographic problem caused by a declining birth-rate of the ethnic Russians will add to Great Russian nationalism and concern about the other ethnic groups. Nationalism on the part of the latter will not too seriously endanger the Soviet state but will add to the uneasiness of the Russians and increase the tendency to concentrate power in their hands. The Ukraine, because of its size, the number of Ukrainians abroad, and the continuing strength of Ukrainian nationalism, will constitute a particular preoccupation for Moscow.

11. Thus the new leadership will be faced with a far from easy situation, particularly if the transfer of power is complicated. At the moment there is no obvious line of succession, but this does not necessarily mean there will be an outright struggle for the leadership. Jockeying for power there will certainly be, which would involve a larger group than the present tight circle - at the very least the Central Committee. But the absence of any organized procedure for

succession and the chance of discontinuity make it impossible entirely to rule out the risk of political turbulence. In such a situation control of, or influence in, the Armed Forces and the security forces would be of crucial importance. Although both groups have at times been manipulated by politicians, there is no tradition in the USSR of their playing an independent rôle and no sign to date that they would want to do so in the next succession.

12. Behind the rather colourless figures in the hierarchy today may exist a potentially dominant character but in the absence of evidence to the contrary it seems likely that government during the eighties will be primarily by "consensus" on the Brezhnev model. This is not the kind of leadership likely to take unorthodox initiatives on the economic or social front, or even tamper with the shop-worn ideology which will be increasingly irrelevant to so much of the population and to many of those people in the outside world to whom the Soviets try to appeal. However, the impact on their behaviour, both external and internal, of the need for economic reform is hard to predict.

13. A concomitant of this will be the need to maintain strict Party control over the armed forces and the security organizations. In addition to their external rôle their loyalty will be needed to maintain internal discipline. Their importance to the leadership in both rôles is such that they will continue to enjoy a heavy share of the budget. It will become more and more difficult to divide up remaining financial and economic resources among a number of competing regional, political and economic interest groups.

14. In the coming decade the governments of Eastern Europe will be faced with problems containing considerable potential for instability. In addition to economic problems not dissimilar, in varying degrees, to those of the USSR,

Eastern Europe lacks the abundant natural resources of the latter and may find its economic problems compounded by dependence on Soviet raw materials, which will be more expensive and in shorter supply.

15. There seems very little chance that the long-standing tensions in Eastern European countries will evaporate. These result from the continuing attraction of the West, nationalism which inevitably includes large elements of anti-Sovietism, and the unpopularity of the régimes, in part because of their identification with Moscow. But the East European leaderships, to a greater or lesser extent, have aims and interests related to their own preservation identical with those of Moscow and they must operate within certain Soviet limits of tolerance.

[first sentence
of paragraph 82
of ISD/165
(3rd revise)
amended]

16. The main potential source for instability lies in growing economic problems which are likely to make it increasingly difficult for governments to satisfy consumer demand. Furthermore, dissent in Eastern Europe may prove more serious than in the Soviet Union, particularly if economic problems cannot be alleviated and if public opinion in the West, including in leftist circles, does not lose interest in the subject of human rights. Preoccupation with dissent throughout Eastern Europe will be a debilitating factor throughout the eighties, although its strength and connotation will vary from country to country. For example, it is likely to be much stronger and more explosive an issue in Poland because of intense nationalism, the continuing influence of religion and traditional

[old paragraph 30,
amended]

anti-Russian feeling, than in, say, Bulgaria. The leaders who will have to deal with these problems may be new and possibly less experienced in some countries.

- [old paragraph 16, first two sentences amended]
17. Nevertheless, provided the East European régimes act with a degree of intelligence, which cannot be taken for granted, and provided they can at least safeguard the relative improvements in living standards already achieved and maintain a certain flexibility in internal policies and contacts with the West, the populations of Eastern Europe will probably resign themselves to overall Soviet control.

18. It is quite clear that no Soviet leadership will permit any retreat from Communist Party control nor any weakening of unity on questions considered essential by Moscow. The repeated Soviet insistence on the principles of limited sovereignty and "proletarian internationalism" and the "defence of the gains of socialism", provide evidence of continuing Soviet determination to maintain control of Eastern Europe. Apart from the strategic and political importance of maintaining troops in Poland, Czechoslovakia, Hungary and the GDR, the Soviets will wish to maintain this situation rather than risk the stigma of having to invade another country in order to put down a revolt. There is no reason to suppose that the stationing of Soviet troops in Eastern Europe constitutes an unacceptable economic or financial burden for the Soviet Union.

19. Although the people and the governments of Eastern Europe know that, because of this Soviet determination, any drastic change in this status is impossible there is little sign that the USSR has been able to secure more than mere

acceptance of this state of affairs. Eastern Europe will therefore remain a potential area of trouble for the Russians and an emotional outburst cannot be ruled out requiring the intervention of Soviet military force. The Soviets would wish to avoid this if at all possible but would not hesitate to suppress a revolt even at the expense of any adverse consequences for the climate of East-West relations, particularly since their experience in the past shows that Western criticism is seldom of long duration.

20. Romania is likely to remain a special case but its semi-independent stance depends to an important degree on Ceausescu. Soviet meddling in Romanian affairs after his departure seems highly likely. As Moscow probably judges the situation, an overt Soviet effort to bring Romania more closely under Soviet control could create tension in relations with the West. As to the other Warsaw Pact countries, Moscow may judge that a revolt and its suppression would also damage détente but would not create anything approaching a confrontation with the West, except conceivably in the case of the GDR which, however, seems the most tightly controlled of all the Warsaw Pact countries.

21. Soviet foreign policy under Brezhnev has on the whole been very cautious and yet keenly alert. Constantly looking out for new opportunities, the Soviet Union has patiently expanded its influence, pursuing its long-term foreign policy aims with a remorseless continuity which absorbs temporary setbacks. The political philosophy behind this expansion, as far as the Third World is concerned, is becoming increasingly irrelevant in an

[old paragraph 20,
amended]

era when decolonization has almost ended and it is more and more difficult for the Soviet leaders to identify the "imperialist" enemy; nor is "capitalism" an easy target, particularly if economic and political co-operation with the latter continues to be a top priority. In these circumstances, the underlying political power motivation of the Soviet Union, as emphasised by its military build-up, becomes increasingly obvious. There seems little doubt that a major concern of Soviet foreign policies will continue to be the attempt to develop a special relationship with the United States and to avoid direct confrontation, irrespective of fluctuations in détente.

[old paragraph 22,
amended]

22. The precise rôle of ideology in the formulation of foreign policy is not easy to define. In cases where a conflict exists between state interests and ideological requirements, it is likely that the former will continue to predominate. With the growing demands of a more sophisticated economy and the practical requirements of living in a fragmented world which stubbornly refuses to fit into a preconceived Marxist pattern, Soviet policies are likely to become increasingly pragmatic.
23. Although at the core of the thinking of the Soviet leadership lies the basic aim of maintaining and strengthening their hold on the USSR and Eastern Europe, there

[old paragraph 23] are other factors which cannot be ignored, such as Soviet/Russian nationalism and pride; the conditioning effects of ideology; their desire to improve and strengthen the position of the USSR, particularly vis-à-vis the US and NATO; and finally their preoccupation with China both in the inter-state and inter-party spheres.

24. What is important in many ways is not our concept of Soviet power but the Soviets' own appreciation of it and its utility. Their immense military strength and their political influence throughout the world, the latter reinforced by Communist Parties, are probably genuinely thought of by the Soviet leaders primarily as means of protecting the "gains of socialism", but their evident preoccupation with changes in the "balance of forces" and the acquisition of at least political and military parity with the United States may encourage a more adventurous approach to world affairs. The Soviet perception of their own power and the degree of assertiveness with which it is exploited in their external policies will be influenced to a large extent by the military posture maintained by the Alliance.

B. Soviet and East European Power, Policies and Intentions

25. The Soviet Union is basically an incomplete super-power, lacking the modern economic structure to complement its political and military strength. It seems doubtful that the

policy of importation of Western technology now followed by the Soviet leadership will do much towards solving internal problems, closing the qualitative gap with the West or making the USSR a more effective power in peaceful competition with the West.

26. Its system of government and administration has proved incapable of creating an economy answering modern requirements, not only of quantity but of diversification and quality. Thus, military power, which, for a variety of reasons, historical and contemporary, in any case appears to the Soviet leadership as a prime necessity, has so far been the only attribute of super-power status capable of full realisation. Nevertheless, its total control of very large territories and resources permits it to translate this unbalanced system into greater power than its inherent weaknesses would suggest.

[old paragraph 26, penultimate sentence] This is particularly the case if the field of application is confined to the Soviet Union itself and to the countries of Eastern Europe, which will remain conscious of the narrow limits within which they will be free to exploit favourable trends.

27. The Soviet Union continues to have the advantage of a fairly simple basic political philosophy which it will no doubt continue to try to use to influence large numbers of people around the world. Although the world Communist movement becomes more and more fragmented, Communist parties and sympathizers will remain of great importance in adding to the political strength of the USSR.

28. At the same time, the staleness of Soviet ideology, its increasing irrelevance to the needs of the populations of the USSR and Eastern Europe, its lack of appeal to the young, and yet the need to enforce its acceptance as the only proof of legitimacy and justification for Communist control will retard the political and economic evolution of the bloc.

29. The relationship between military, political, ideological and economic power does not, in view of the political and ideological straitjacket imposed by the leadership on the economy, appear likely to change substantially during the period under review. On the other hand, the need for fundamental reform of the Soviet economy might become increasingly compelling with the passage of time and particularly with the advent to power of the new leadership generation.

30. The Soviet Union will no doubt continue to seek to use the Council for Economic Mutual Assistance (CEMA) to further the integration of Eastern Europe under Soviet control (in part in order to provide economic underpinning for the Warsaw Pact) and to further the Soviet Union's own economic interests. Although economic inter-dependence is likely to develop further, political resistance, especially from Romania, and inherent economic difficulties will continue to militate against effective exploitation by the Soviet Union of the full potential of CEMA. Current world economic problems are forcing East European countries into greater dependence on the Soviet Union, but an economic upturn in the West would probably reverse this trend, even though

[old paragraph 36, amended]

the problem of the level of indebtedness of East European countries to the West will not easily be resolved. Future Soviet policy choices, for example on energy exports, will also affect the relative economic links of Eastern Europe with the Soviet Union and the West.

[old paragraph 37 amended]

31. It is notable that the Soviet Union appears to be making a major effort to extend its economic influence in the world in the fields of civil aviation, shipping and fisheries. Apart from offering hard currency gains, such developments serve to enhance Soviet political prestige, and there are also strategic implications. Although legitimate economic activities, these developments not only constitute a threat to Western commercial interests in many respects, but also amount to a significant extension of Soviet global interests.

[old paragraphs 32 and 34 amalgamated]

32. In general terms the USSR's foreign policy may be said to pursue three main aims. The first, while preserving the hegemony of the Communist Party in the Soviet Union and in the East European countries, is to defend its territory and the East-European glacis. The second is to establish peaceful co-existence and détente with the Western countries, without however, letting slip any opportunity, provided that it does not involve undue risk, to modify the

balance of forces in Europe itself - in which context the strengthening of the privileged super-power relationship with the United States is of paramount importance. The third concerns the quest for new gains in fields where the state or ideological interests of the USSR would be furthered, due account being taken of international developments and the world situation especially, but not necessarily exclusively, in the Third World. In all this, the attitude to China has no part since it is influenced by such factors as the defence of Soviet territory in Asia, the desire to counter increasing Chinese influence in the world and the ideological confrontation of two concepts of Marxism.

33. The general pattern of Soviet foreign policy will continue to reflect the constant purpose of trying to change on a global scale wherever possible, and without excessive risks, the "corelationship of forces" in favour of the Soviet Union and the Soviet bloc, for reasons both of doctrinal inheritance and as a matter of straight power politics. Caution and careful calculation of the risks involved are likely, as has been the case with Brezhnev, to continue to characterise the methods used, but at the same time, the Soviet concept of détente will, as hitherto, exempt from its scope the

continued "ideological struggle" and support for "national liberation movements". Although there are already between East and West certain acknowledged areas of common interest, the underlying relationship remains competitive, the two sides hold quite different views of the world and of the nature of détente, as well as of society and above all the place of the individual within it, and have conflicting long-term aims, as Brezhnev himself has repeatedly revealed publicly in major speeches. In particular Moscow's determination to assert itself as the dominating power in Europe remains as a long-term goal. Even if in all probability the Soviet leaders are not motivated solely by ideological considerations, their approach to world problems is bound to be influenced by their Marxist background and convictions, which presuppose an attitude of opposition to the "capitalist countries".

[old paragraph 35,
last sentence
amended]

34. The expansion of Soviet political influence wherever possible will be dictated by big power politics and their resolve to establish and maintain at least political and military parity with the United States and to forestall the increase of Chinese influence than by ideological considerations. It seems improbable that the order of priorities of Soviet policy will change radically in the coming decade. Even if drastic

[old paragraph 35,
1st sentence]

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steps were taken to improve the economy, or external circumstances presented an extraordinary temptation, on the whole a calculated and cautious approach is likely to prevail, on the assumption that the Allies continue to maintain a satisfactory East-West military balance. Should the military balance shift significantly towards the Warsaw Pact, the Soviet perception of the degree of risk involved in attempting to translate military power into political influence would be bound to change, both as regards the Alliance area and outside it.

35. It is conceivable that a certain concatenation of circumstances could arise which might provoke the Soviet leaders into a more venturesome foreign policy. There might be a series of bad harvests, prolonged economic problems, unrest in Eastern Europe and a weak leadership, which would feel tempted to overplay not necessarily the direct threat of military power, but the option of it to reinforce political moves. We cannot rely on the assumption that the Soviets will judge the increasing limitations on the use of military power in a changing world in the same manner as we do.

36. Such a situation could lead to a potentially dangerous increase in the influence of the military, and it is in this kind of combination of circumstances that a credible deterrent posture of the Alliance, always required, is particularly vital to their perceptions and decisions. This is all the more so as it is highly doubtful whether any long-range "master plan" exists in the Kremlin; rather it is a matter of looking for opportunities to exploit with a greater readiness to engage in such exploitation under conditions of internal weakness or stress. The lack of an

informed public opinion, added to intense, almost chauvinistic, pride among the population, will combine to give the leadership a built-in advantage when rapid initiatives are required.

37(1) The preservation and protection of the power increase which the Soviet Union obtained in Central Europe after the Second World War remains a priority motive of Soviet policy. The modus vivendi which was found for the German question at the beginning of the seventies has not, it is true, been able to solve this question but has contributed to stability in Central Europe. The desire for a calm development in this region will exert a positive influence on the Soviet interest in the maintenance of détente. On the other hand, critical developments in this region may induce the Soviet Union to react particularly sensitively. Berlin will remain a touch stone of Soviet intentions and Soviet interests.

C. Eastern Reactions to External Developments

38. Given the severe limitations on the independence of action of the Eastern European countries, it is Soviet reactions to external developments which are of essential significance. In examining certain major external factors of importance to the Soviet Union (neither exhaustively nor necessarily in order of importance), Eastern European reactions, unless specifically mentioned, are therefore assumed to be of secondary importance.

(i) The Super-Power Relationship

39. So long as the US continues to maintain the necessary military strength in all fields, the avoidance of confrontation between the two super-powers will continue to constitute the ultimate restraint on Soviet external behaviour. Moscow will however monitor closely and carefully the perceived American will to become involved or remain committed in particular areas, and calculate the extent of her own involvement accordingly. US economic prosperity and

technological dynamism will also be an important factor in the Soviet calculation of relative strength. Acknowledgement of the US rôle as a super-power will be matched by Soviet efforts to deal with the US on a basis of recognised equality, with continued rivalry and competition in many areas but attempts to control and manage crises and problems of common concern on a joint bilateral basis.

(ii) The Alliance

40. Provided the members of the Alliance continue not only to provide adequate forces for deterrence and defence in the North Atlantic area, but also to maintain political cohesion the Alliance will remain a major factor in Soviet calculations. Consequently, Soviet attempts to weaken and undermine it will continue. All forms of strengthening of the fabric of the Alliance will be attacked and criticised; all signs of weakness in any respect will be exploited.

(iii) Western Europe

41. In contrast, it is less the actual strength than the potential of the European Community that will be a major factor in the calculations of the new Soviet leadership. Western Europe will continue to have high priority in Soviet foreign policy. A dynamic Community, both politically and economically, would constitute for the Soviet Union a renewed challenge, particularly since it would again highlight the comparative economic and political failure of the Eastern European system. It must be assumed that Moscow will continue to do whatever is possible to discourage enhanced Western European political cohesion, strength and influence, through intensified bilateral dealings with member-states and "pan-European" initiatives, which will at the same time serve to meet the Soviet need for economic and technological co-operation. She will hope to drive wedges between Western Europe and the US and Canada. In so far as all this fails

to prevent progress she will, to the minimum extent necessary, come to terms with the Community. But the Soviet Union will react sharply to any move towards a European defence identity or capability, above all in the nuclear field; and will continue to do whatever is possible to reduce the rôle and influence of the Federal Republic of Germany in the defence field. Thus Moscow may well be finding itself on the horns of a dilemma, torn between desire to see reduction in the United States presence in Western Europe and fear that this could stimulate moves toward an unwelcome European defence identity or capability.

[Old
paragraph 59
with addition]

42(1) Berlin is a somewhat special case since the Western position there is inherently susceptible to Soviet pressure and Soviet efforts to inhibit the maintenance and development of the ties between Berlin (West) and the Federal Republic of Germany will continue and may intensify. The city remains a potential pressure point which may be used by Moscow as a means of retaliation against the West in relation to developments elsewhere. The Soviet Union is likely to increase pressure on Berlin either if the Three Powers and the Federal Republic of Germany give the impression that they are willing to retreat from their traditional and legitimate positions as confirmed by the Quadripartite Agreement or if they give the impression that they intend substantially to change to the disadvantage of the East the modus vivendi implied in the Quadripartite Agreement(1).

(1) Text proposed by the German Delegation

(1)[42bis. The Soviet theory of the co-relationship of forces in calculating Soviet actions appears no less relevant to shifts in internal situations in Western countries. The calculation will vary according to the circumstances in individual countries. In general, Moscow appears to accept that the accession to a share of power by Western Communist parties would have an unwelcome destabilising effect on the détente process. It could also exacerbate the problem of "dissidence" within the international Communist movement, including Eastern Europe. So long as détente remains the order of the day, it might suit the Soviet Union best to maintain Communist influence at a high level of oppositional nuisance value short of actual participation in Government. But it cannot control, nor perhaps even significantly influence, the actual course of events, and the accession to power of a Western Communist Party would present Moscow with a difficult problem, although some political advantages would also accrue.]

(1)[42ter All that can be said with certainty is that, in such circumstances, Soviet exploitation of the result would certainly involve encouragement, probably successfully, of lines of foreign policy calculated to weaken and undermine the strength and cohesion of the Western Alliance and the European Community. In probability, Moscow would hope that the internal consequences, especially in the economic field, would not be such as to prejudice the continued pursuit of economic and technological co-operation; but Soviet influence on internal economic and other policies would, so long as Western Communist Parties pursue their present independent ideological and domestic line, be weak and ineffective. However, the possibility cannot be excluded that the CPSU would try to bring about changes of leadership which would bring pro-Moscow elements into control.]

(1) Two delegations oppose both the language of these two paragraphs and the discussion of this language; they are also of the opinion that these paragraphs should therefore not appear at all in the revised version

(iv) China

43. The Soviet Union, while not abandoning hope of a rapprochement with China on Soviet terms, will continue to be prepared, militarily and otherwise, for confrontation on both her Eastern and Western borders. Growing Chinese strength, although it cannot match Soviet strength in the timescale of the 1980s, will cause increasing Soviet concern, which has a psychological basis transcending a dispassionate calculation of relative power, and an ideological element in so far as rivalry for the leadership of the world Communist movement is an important aspect of the power struggle. The question whether this will have a beneficial effect in enlarging the area of perceived Soviet common interest with the West cannot be answered with any precision, although it ought logically to do so. On the other hand, it is liable to increase the difficulty of further East-West arms control and disarmament negotiations, as Moscow increasingly pleads the need to cater for the Chinese threat in her levels of forces and armaments. Furthermore, improved and increased co-operation between the West, particularly the US, and China will be regarded by Moscow with suspicion and, depending on the degree, a certain apprehension, because of its implication for her preferred bilateral pattern of international relationships. If sales of defence equipment are involved, they will be very strongly attacked, however little they contribute, on a dispassionate judgement, to the Chinese military capability.

(v) Japan

44. There is a certain analogy between Japan in the East and the European Community in the West in terms of potential importance to the Soviet Union. Both are allies of the United States, but have considerable power in their own right. Japan in the eyes of Moscow is a military dwarf but an economic giant. Her relationship with an emerging China

is a matter of crucial concern to Moscow. A military relationship between the two would be a cause for the strongest Soviet reaction, but seems unlikely in the timescale. An enhanced relationship of economic co-operation would be a cause for great Soviet concern, however, and could lead to strong Soviet counterpressure. The point to which this would be pursued would depend on how far Japan moves towards China and on the degree of support given to Japan by the US. Meanwhile, the Soviet Union will continue to try to enlist Japanese economic and technological co-operation.

(vi) World Economy and the North-South Dialogue

45. Whatever the involuntary Soviet contribution to bringing it about (e.g. unhelpful influence on OPEC countries) it is clear that Moscow is unhappy with and baffled by the disorderly world economic and financial situation. Inflation and fluctuating currencies and interest rates make the task of forward economic planning more difficult and uncertain for planned economies in direct proportion to the extent to which the Soviet Union and Eastern European countries are dependent on foreign trade (whether imports or exports). It should be noted, however, that Soviet dependence on foreign trade is, at the moment, quite small as compared to the dependence of Western nations and East Europeans on foreign trade.

46. The Soviet dilemma is well illustrated by attempts to exploit higher world prices for Soviet exports of oil and other raw materials to Western markets while seeking to cushion the Soviet Union and CEMA against the effects of inflation. CEMA foreign loan indebtedness is, in some countries, approaching disquieting levels. Moscow is frustrated by its exclusion from the mechanisms of world economic and financial management; on the other hand its own economic and financial lack of stature in the world and its obsession with secrecy preclude Soviet participation at the level of influence due to a "great power", and in any case the mechanisms are themselves unacceptable, as by definition, "capitalist".

47. Somewhat similar considerations apply to Soviet participation in the North-South dialogue. Moscow may be expected to continue to exploit aspects of the situation opportunistically, but cautiously, since the possibility of ultimate rebound against their own interests is difficult for them to calculate (as over oil). On balance the likelihood would seem to be that the Soviet Union will continue to refuse overt and active institutionalised co-operation with the West in these fields, but, while publicly criticising Western actions, privately hope that they will achieve a sufficient degree of order and stability to enable the element of East-West economic co-operation in the détente process to prosper. On the other hand, a Soviet bid to participate in existing mechanisms, but only at a price, and in order to influence their activities to Soviet advantage, is not necessarily to be excluded. If, in the worst case, the West fails to solve current problems, there could be a Soviet initiative to create new mechanisms, perhaps involving a "pan-European" approach. It is noted that, of the Eastern European countries, Romania has already become a member of the IMF and IBRD; it cannot be taken for granted that others will be allowed to follow suit, but there is evidence that Poland at least is actively considering membership of both organizations.

48. There has been a growing tendency among Third World countries to be critical of Soviet trade and aid policies. The Russians are not prepared to give aid to the developing countries for its own sake, but only in support of specific and almost exclusively bilateral political objectives. By far the greater proportion of Soviet assistance takes the form of military supplies. The Russians will undoubtedly continue to assert that responsibility for economic aid rests with the former colonial powers. While the developing world

will still entertain far greater expectations from and concentrate their fire on the industrialised West, the credibility of the Soviet justification for denying any responsibility may well become progressively weaker.

(vii) The Third World

49. The Third World and the non-aligned movement will continue to be the object of constant Soviet attention. The emotional forces released by the process of decolonisation are likely to decline and to be replaced by other Third World aspirations not so easily exploitable as was "anti-imperialism". Moscow will have in mind the general aims of denying Western influence; and whenever the opportunity presents itself of expanding its own military, ideological and political influence. There may be few opportunities to create "revolutionary situations" but where they do exist Moscow will support "wars of national liberation" and attempt to identify with the forces likely to come out victorious.

50. Even so the Soviets are likely to be guided by a certain degree of caution, carefully calculating the advantages for the USSR against the costs involved and the risks of confrontation with the United States. Occasionally the East European countries have helped this process but they are unlikely to permit themselves to be used as directly as the Cubans have done. Ideological considerations cannot be entirely disregarded - they were one factor in Soviet assistance to an allegedly socialist Ethiopia - but it will not be forthcoming unless other factors exist, e.g. importance of the country; strategic value; accessibility; confidence in a weak Western reaction and a continuation of détente.

51. There is no point in attempting to identify and consider the wide range of possible contingencies which may arise under this heading. The Middle East is probably the

area of most critical importance. The Soviet Union will continue its efforts to maintain and expand its influence in the area. Increasingly, it will concentrate on efforts to establish a more solid political and military presence in the Red Sea, Persian Gulf and Indian Ocean areas. India and South-East Asia will remain of great importance to the USSR, at least in part to deny it to China and the USA.

52. Black Africa, although an area of great political potential, is not of such vital importance for Soviet interests, but it would be of some significance for Soviet security at a time of heightened tension to be able to exercise influence over supplies of resources to the West. Latin America is of much less strategic importance to the Soviet Union, particularly in view of Soviet inability to back up a Soviet-oriented régime with economic and military force. However, another Cuba can never be ruled out in either continent. Soviet capabilities for ideological action and propaganda in these areas should not be underestimated, and the Soviet Union will always remain an alternative power centre for the Third World.

(viii) European Countries outside the Power Groupings

53. Any apparent shift in the co-relationship of forces in favour of the West (e.g. in Finland, Sweden, Austria), particularly with military implications, will inevitably bring a sharp Soviet reaction, ranging up to a severe political crisis. On the other hand, there seems no reason to expect, in the timescale, any serious Soviet attempt to shift the balance in their favour for fear of a corresponding reaction. Moscow is evidently sensitive to the possibility of Spanish accession to NATO. But, despite suggestions that Spanish accession might have unfavourable implications for Yugoslavia, Moscow must already regard Spain as firmly within the Western camp, and realise that

membership of NATO would not in essentials change the existing power structure, having in mind the existing bilateral Spanish-American agreements. Finally, it should be noted that there could be a possibility of opportunistic Soviet attempts to gain influence in Malta and/or Cyprus if internal developments in those countries permit; at the same time there is no doubt cautious awareness of the unpredictable consequences of involvement.

(ix) Yugoslavia

54. The other major exception to the general proposition in paragraph 53 is Yugoslavia, whose position in the "grey area" between NATO and the Warsaw Pact and whose political and geo-strategic importance make it a potential crisis area of major importance. The death or loss of control of President Tito will be an external development which the Soviet Union cannot ignore. Moscow must be expected to exploit the consequent situation to the fullest possible extent since the ideological imperative to reincorporate Yugoslavia in the "Socialist" camp will be strong, and the strategic gains are potentially great in terms of a major shift in the European co-relationship of forces, whose affects would be widely felt throughout Europe.

55. At the lowest end of the scale, there will be Soviet exploitation of centrifugal tendencies and of any disunity within the Yugoslav leadership, with attempts at subversion through pro-Soviet elements which no doubt already exist and are identified. At the top end of the scale, direct military intervention, in response to a purported invitation, is not to be excluded, although Moscow must reckon with stout and prolonged Yugoslav resistance which will make a quick fait accompli impossible. They would also have to weigh carefully the risk that military intervention could lead to a super-power confrontation, and a crucial factor will therefore be their judgement of Western determination to uphold Yugoslav

independence. But if they judge that they can intervene without more than a temporary setback to détente, they will be strongly tempted to do so, and, however reluctant other Warsaw Pact forces may be to contemplate or facilitate this, they will not be able to prevent it if Moscow insists, although Romania will no doubt seek to stand aside. However the balance of probability is that the post-Tito leadership will be sufficiently prepared and determined to prevent the degree of internal dissention which would open the way for a decisive intervention by the Soviet Union.

[D. Areas Susceptible to Western Influence

Soviet External Behaviour

56. It is suggested at the outset that, in the last analysis, the only effective way of influencing Soviet behaviour is, in the passive sense, by discouraging the temptation to expand the area of Soviet control and influence by maintaining a credible military deterrent, by preserving political cohesion and by making the exploitation of targets of opportunity around the world expensive and/or dangerous.

57. But in a rapidly evolving world there are a number of less stark alternatives, grey areas where it might be possible for the West subtly to influence Soviet behaviour. These grey areas may be either geographical or functional. As only one example, but one of potentially great significance, the process of technological transfer and increasing East-West contacts between scientists, foreign trade experts and technicians seems bound to have the important effect of broadening and deepening the circles of interest in the upper reaches of the Soviet hierarchy concerned to maintain and continue positive attitudes towards the West. Conversely, should the future Soviet leadership consider veering towards a tougher and more negative course in East-West relations,

these vested interests would be likely to bring home to them what the price of such a change of course would be. It is perhaps over-simplistic, but not entirely invalid, to take into account the continuing distinction, even today, between those Russians who might be called "Westernisers" and those who might be called "Slavophiles".

58. The Soviet dilemma in adjusting to the evolving new economic order has been described in paragraphs 47-48. For the USSR to develop a constructive rôle in this context seems unlikely in the next decade if only because of the lack of resources and skills but it may eventually become a realistic alternative. Whatever seems eventually most advantageous for the West, this is an area which requires constant and very careful evaluation. At the very least the present inability of the USSR and East Europe to contribute in any meaningful way to the development of a new economic order and the North-South dialogue serves as a demonstration to the Third World of where its real long-term interests lie.

59. The fact that Soviet external behaviour is dictated in the last resort by a cold-blooded calculation of national interest and risks has at times induced it to behave as a responsible great power, in 1965 for example in the Indian-Pakistan war; possibly, although disputably, in the 1973 Arab-Israeli war. It should not be automatically assumed that responsible co-operation to control crisis situations is impossible. It should be in the interests of the West to try to encourage any signs in Moscow of a willingness to see co-operation with the Western powers rather than confrontation in the solution of tense situations as being in Soviet national interests. This presumably was the aim of the Declaration on Principles Governing Relations between the United States and the Soviet Union of 1972.

60. But there are political-ideological factors at work in Soviet policy which will always complicate this, for example, the obligation to support "national liberation movements", and the ambivalent attitude towards non-alignment. The commitment to "national liberation" will probably decline in importance as genuine anti-colonial movements disappear. The West could influence Soviet behaviour by encouraging non-alignment and genuine neutrality, and by discouraging the tendency among many non-aligned countries to identify their interests with those of the USSR, although it would be mistaken equally to try to woo them into the Western camp.

61. It is likely that the USSR will continue its practice of subversion against NATO countries, although there is some reason to think that the activities of the KGB and the intelligence services are not always approved by other branches of the Soviet government. Western countries can help to reduce Soviet subversion at least marginally by reacting strongly, but correctly, to every improper activity by Soviet agents on their soil. A greater reliance by Moscow on traditional diplomacy rather than subversion and espionage would undoubtedly improve the chances of maintaining correct relations with the Western countries.

Military Factors

62. There is no doubt that if the Soviets were to consider their already formidable military power insufficient, they would not hesitate to increase their military spending, high as it already is, and the population would accept it.

63. Apart from deterring its use, it must, therefore, be a prime objective of the West through measures of arms control and disarmament to inhibit its further growth and, where possible, to reduce it to parity at a gradually lower level. The fact that the Soviet leaders have so far accepted

this approach only as far as strategic nuclear weapons are concerned, while continuing to strengthen their conventional capabilities, is one of the main factors casting doubt on Soviet peaceful intentions.

64. Nevertheless, it would clearly be in the interest of the West to make a major and continuous effort over the coming decade to convince the Soviet Union that its sense of insecurity is exaggerated and that vast resources, both material and intellectual, could safely be channelled into non-military production.

65. The factors which have induced the Soviets to accept the Western approach in the strategic nuclear field - rough parity and the awesome cost of continuing competition for a country with a GNP only marginally above half of the United States - have not so far operated in the other areas of military posture.

66. As for theatre nuclear forces, the Soviets do not yet appear to be in a perceived situation analogous to that at the strategic inter-continental level, i.e. where unconstrained future developments would appear markedly to favour the West.

67. In the maritime field, which, in spite of overall Western superiority, causes such deep concern, talk of "parity" is misleading and dangerous, since the defence/offence relationship tolerable on land does not apply at sea, at least in relation to the submarine threat. Furthermore an agreement nullifying the Soviet submarine superiority seems an unrealistic prospect, given the inescapable fact that the Alliance needs the seas and the Warsaw Pact does not.

68. At the conventional level, the prospects are least promising of all. Here we meet the historical Russian preoccupation with numbers, which still appears to the Soviets

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to be a necessary answer to the superior productive and inventive capability and the relative economic strength of the West.

69. In addition the maintenance of what appears to the West as unnecessarily large conventional forces - far in excess of defensive requirements and with an emphasis on an offensive capability - is motivated by the need to control the East European glacis; containment of the Chinese threat along enormously long and not easily defensible borders; as an indispensable adjunct to Soviet efforts to extend its political and therefore also military influence around the world; as an essential means of insuring acceptance as one of the two super-powers; and as a means of making available to the leadership all conceivable options in major crises.

70. In view of the relative importance of the military element in the calculation of the USSR as a world power, it seems unlikely that the Soviet leadership would be seriously interested in measures which would reduce their ability to utilise their military trump cards.

71. Consequently, as regards MBFR, the task of developing the Soviet assertion of "approximate parity" into acceptance of the Western concept of the collective common ceiling will continue to be very difficult. Even in the event of an MBFR agreement on Western terms, the Soviet Union would be sure to maintain massive conventional forces outside the reductions area.

72. The best prospects exist in such fields as non-proliferation, non-use of chemical weapons, and new weapons of mass destruction, where, so far, neither party sets out with a distinct advantage.

73. In sum, within the arms control and disarmament field, the scope for Western influences on Soviet attitudes seems limited and will most probably remain so during the

period under review; and Soviet perceptions of security, for a variety of reasons, will remain the dominant feature of Kremlin thinking.

Economic Relations

74. Since an important element in Soviet détente policy is the development of trade with Western industrialised countries and the acquisition of technology, it follows that the West can influence Soviet policy by either continuing or increasing economic exchanges, and extending credits, or conversely by terminating or drastically limiting trade.

75. On the purely economic side the increase of trade with the West has undoubtedly helped to modernise some sectors of Soviet industry (chemical industry, for example) and appears of vital importance to others (gas and oil, computers, micro-circuitry). But it does not appear likely to achieve its authors' main aim - the rapid modernization of the economy, without sacrificing political supremacy, and the bridging of the qualitative gap with the West. It appears on the whole not to be disadvantageous to the West which, on the contrary, has gained something commercially from this trade.

76. It is difficult to estimate how much military advantage the USSR gains from East-West trade. No doubt anything which eases the pressures on the civilian economy automatically releases more resources for the military-industrial complex. But, provided technology which can be directly used for military equipment is excluded from East-West trade, the direct addition to the military machine should not be overestimated.

77. Nevertheless, the sale of technology, industrial equipment and grains and the extension of credit does add substantially to improving the state of the Soviet economy and consequently to the creation of a more satisfied society which may be presumed to have a vested interest in stability.

78. If East-West trade remains highly important for the USSR, one might consider ways and means of extracting a higher price for this. It is assumed that a drastic reduction in trade, even if it were possible, would tend to drive the USSR back towards economic autarky and political xenophobia, which would be a retrograde and dangerous step as far as the West is concerned.

79. Détente is not necessarily indivisible in all respects but the economic aspects of it cannot be fully divorced from military and political factors. Therefore any effort to use trade and technology as a leverage in other areas, or vice versa would have to be very carefully calculated to avoid damaging Western interests in general.

80. A major element in this equation is whether Western trade with the USSR and the sale of technology can help to make the Soviet Union more efficient, more attractive, more "Western" and a society with which it would be easier for us to deal. The answer probably must be highly qualified. In the period under review trade with the West must have some effect on the mentality of the Soviet technicians and bureaucrats and mellow at least slightly their suspicious approach to dealing with the outside world. But it will only have a marginal effect in modernizing the economy and Soviet society will remain basically backward and inward-looking.

81. Whether it is in the interests of the West to encourage the development of a more modern and efficient economy in the USSR is a question difficult to answer but of considerable importance. The continuation of an inefficient economy in the USSR does diminish the attractiveness of Soviet society to the outside world but it tends to perpetuate an atmosphere of isolation and to reinforce the leadership tendency to rely on the military aspect of Soviet power to make up other deficiencies. On the whole from the political

point of view it would appear in the Western interest to see the development of a more modern economy, since it would help to decrease at least some of the psychological barriers now existing between Soviet and Western societies.

82. As regards the East European countries the answer would probably be less in doubt. Our ability through trade to influence the development of East European society in a more liberal direction, therefore increasing the gap with the USSR, is considerable in the economic, cultural and social areas. If the economies were more efficient and prosperous in theory the régimes would be more acceptable. But this is not necessarily a logical sequitur. The Soviet Union however would have definite limits of tolerance with regard to increasing Western economic ties with Eastern European countries.

Non-Material Values and the Struggle of Ideas

83. We must assume that the Soviet concept of peaceful co-existence as exempting the struggle of ideas is of vital importance to Moscow and therefore will continue. It is also likely that, as a result in part of the CSCE, Western governments and public opinion will become increasingly interested in carrying over into the communist camp the message about democratic and human rights, including religious freedom. This is not to say that the West has been indifferent to this previously but the presentation of the Western point of view has often appeared to be in the context of cold war, of an effort to subvert the Soviet and East European régimes rather than convert them. While a degree of convergence may be desirable, what we are now really aiming at ideologically is greater tolerance and liberalism in the Soviet Union.

84. For probably the first time the Soviet authorities find themselves ideologically on the defensive and there should be considerable advantage in keeping up continuing pressure over the whole spectrum of non-material values

provided nothing is done to put Moscow in a humiliating position; provide justification for savage repression; or encourage hopeless revolt in Eastern Europe. The gradual development of a more civilised society in the USSR and the Soviet bloc is in the interests of the West. In the past there has been a linkage between careful Western support for human rights and the gradual widening of the area of tolerance of dissent by the Soviet authorities, but it is a linkage which requires constant and careful examination. The CSCE experience has shown that the Soviet threshold of tolerance can be raised somewhat.

85. The very great expansion of personal contacts between Soviets and East Europeans on the one hand and their Western counterparts on the other in the past decades has not led to the liberalisation of the régimes as hoped for by some in the West and it would be naive to think it could. The expansion of contacts does, however, alter the understanding and the outlook of a vast number of influential people which is subtly changing the relationship between East and West, usually for the better.

86. It also substantially adds to the preoccupations of the leadership concerning the reliability of the intelligentsia and diverts an increasing proportion of the resources of the state to keeping close control of the people on whom they have to rely to make their countries function.

87. It would be equally unwise to overestimate the effect of contacts at the summit but it is hard to believe that the outlook of Brezhnev and Kosygin, for example, have not been strongly influenced by exposure to the West and to contact with Western leaders. However, the leadership, apart from those at the very top, will probably continue to live in rather dangerous isolation from the outside world,

and it is probably in our interests to try to break this down. It will become even more important when the newer generation comes to power.

(1)[The most promising means of exercising Western influence on a steady, continuing and non-provocative basis appears to be the kind of political, social, cultural and economic relationship encompassed in the Western definition of détente. This combined with adequate defensive strength contributed to containing the adversary relationship which will inevitably continue to appear in many fields, to encouraging acceptable peaceful competition in other areas, and even to facilitating active co-operation where possible, thus helping to prevent the USSR from retreating into isolation and paranoia. At the same time it serves to inhibit the hegemony exercised by Moscow over all aspects of life in the countries of Eastern Europe and to enable those countries, each in its own chosen way, to exploit the admittedly limited possibilities of independent action which remain open to them.]]

(1) This paragraph might more appropriately form part of Part Three of the Study