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**KGB Report on New Elements in US Policy toward
the European Socialist Countries**

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Summary:

Information from the KGB shared with the Stasi about a high-level review of US policy by the Department of State. Presidential Directive [NS-NSDD] 54 from [September] 1982 made the main US objective to subvert Soviet influence in Eastern Europe.

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[German] Translation from Russian

[KGB Chairman] Comrade [Viktor] Chebrikov forwards attached information to [GDR Minister for State Security] Comrade [Erich] Mielke and asks to inform [SED General Secretary] Comrade [Erich] Honecker about its content.

In light of its extremely important character, and for reasons of protecting its source, we request to use proper caution when dealing with the attached information.

Comrade Chebrikov hopes that Comrade Mielke will convey his opinion and the reaction of Comrade Honecker regarding the contents of this information.

[German] Translation from Russian

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About New Elements in US Policy Toward the European Socialist Countries

According to credible information, the Reagan Administration intends to enact American policy toward the socialist European countries in order to separate them from the USSR. In this vein, the US State Department proposed in late 1983 to change tactics somewhat on this matter and to launch now a "new American offensive in the region." Previously, tactics were outlined in Presidential Directive No. 54 on "differentiated" approaches towards each of these countries. [\[1\]](#) It had been adopted [on 2 September] 1982. The main contents of the new 1983 proposals made by the US Department of State are as follows:

USSR and Eastern Europe

During the course of the entire post-World War II period, the USSR had two important objectives vis-à-vis Eastern Europe: that Eastern European states bring their domestic and foreign policy norms in accordance with the norms applied by the Soviet Union; and achieving stability, permitting the USSR to have solid and reliable allies against the West, freeing the Soviet Union from the need to redistribute its limited resources for the regulation of crises in Warsaw Pact member states. As the Hungarian example shows, the Soviet Union, in the interest of growing stability, is willing to tolerate a certain deviation from norms as long as it does not affect Soviet security and foreign policy requirements. Yet Moscow's tolerant attitude towards deviations from norms has its limits.

Changes in Soviet policy after the Hungarian and Czechoslovak events [of 1956 and 1968] were caused by the fact that the Soviet Union is incapable of granting the Eastern European countries comprehensive economic aid. Due to domestic difficulties that confront the Soviet Union, the USSR is unable to serve the economic needs of its Warsaw Pact allies. This applies in particular to those countries whose comparatively developed economies need the West for preserving their competitiveness on the world market.

At the same time, the Soviet Union holds undoubtedly significant assets in the region. These include its massive military potential and economic leverage, since economies of most Eastern European countries are dependent on the Soviet economy.

The United States and Eastern Europe

In the context of the above, the main US objective outlined in Presidential Directive [NS-NSDD] 54 from [September] 1982, namely subversion of Soviet influence in Eastern Europe and promoting a return of these countries in the region into the community of European nations, is only achievable by a gradual process. In this framework, it is said, the USSR would not be able to reference any concrete US step threatening Soviet vital interests, and thus justifying a concrete Soviet reaction. Mostly the Soviet Union is afraid of a "creeping counter-revolution," and absolutely correctly so.

According to Directive [NS-NSDD] 54, the following measures are supposed to weaken general Soviet control over the region:

Stimulate the liberal tendencies in Eastern Europe;

Contribute towards protection of human and civil rights in Eastern European countries;

Strengthen the pro-Western orientation of those countries' populations;

Reduce economic and political dependencies of Eastern European states on the Soviet Union, and support their unification with the countries of Western Europe;

Support the private sector in economies of Eastern European countries and a development of their economies based on market orientations; stimulate activities of free labor unions, and so on;

Undermine the military potential of the Warsaw Pact organization.

However, some US government agencies, in particular the Defense Department, are not in full agreement with such policy. Roughly put, as they view the Soviet Union as the mortal enemy of the US and since the USSR considers Eastern Europe as its sphere of influence, they assert the following: It makes things worse for Moscow, and better for Washington, if the situation in Eastern European countries is as bad as it can possibly be. Proponents of this course do not see any sense in trade with Eastern European countries. They argue such trade bolsters their economies and thus contributes towards an overall growth of the Soviet bloc's strength. They are also against any technology transfer to these countries, even for products destined for civilian use, since they are convinced such technologies will subsequently end up in the Soviet Union. Yet this policy based on "the worse it gets, the better for us," [the US State Department asserts] is playing into the hands of the Russians. It leads to a weakening of elements in Eastern Europe who strive for modernization in a [Western] European sense. Also it will increase differences in opinion between the United States

and its NATO allies about policy in this [Eastern European] region.

Political Opportunities for the United States

In early 1983, the US was in danger of losing those positions in Eastern Europe it had built up over many years. Yet the current situation in Eastern Europe testifies that the US can gain major influence there. The current situation in Eastern Europe offers the US in the long run the unique opportunity to weaken USSR influence in the region, and at the same time to demonstrate to other countries of the world the incompatibility of Soviet-imposed regimes and national aspirations. The following four major factors are conducive to the achievement of US objectives in the region:

- Only a few of those in power in Eastern European states share Soviet-type ideology. Their main principles are to exploit most favorable opportunities and pursue their individual careers. Undoubtedly, individuals in high positions are still personally interested in maintaining the system. Yet their ideological convictions and efforts to gain supporters have weakened.

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- The unofficial "social contract" according to which the silent approval by the population in political regards is won through the constant improvement of living standards, is ever more in jeopardy since living standards in Eastern European countries continue to decrease. Poland is a classic example of the destabilizing effects of economic stagnation, or even decline. Economic deprivations have the potential to lead to instability in the entire region.

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- As noted above, sustained long-term deliveries of Soviet resources so characteristic for previous periods of crises just did not happen this time; each Eastern European country is apparently on its own to solve its economic problems. Combined with the deficiency of economic resources, insights are supposed to increase for the need to raise work productivity with the help of Western equipment and technology.

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- Problems of the Soviet Union further the characteristic tendency for Eastern European countries to turn towards the West in the search for new ideas. This is especially typical for the groups leaning towards innovation: the youth and the intelligentsia.

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At the time, however, short-term opportunities for the United States are also limited due to the following reasons:

- The USSR is able to use violence in the region, and will obviously do so, if it defines a threat to its vital interests.

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- In light of Soviet power reality and Western promises to provide them with technology, Eastern Europe is in a position to attempt to play off East and West against each other in order to obtain as much as possible from both sides.

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- A differentiated approach toward the Eastern European countries will yield only limited short-term effects, in particular when US-Soviet relations continue to be tense.

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□□ Impacts of American economic leverage are limited given the character of Eastern European countries' economies. Besides the fact of dominance of the Soviet economic model in most of those countries, the latter are also stuck with a forced dependency on the Soviet Union. The USSR is their source to import energy and other kinds of natural resources. It is also their market for a considerable amount of industrial products whose poor quality and low technological level makes them unsuitable for Western markets (though certain kinds of products have markets in developing countries).

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□□ US options to exert influence are also limited due to insufficient American domestic natural resources and the large indebtedness of the Eastern European states. Yet an aggravation of economic and political problems in these countries makes them more conducive to a differentiated approach.

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The Program of US Approaches as Tailored to Individual States

It would be unreasonable to invest additional resources in economic systems of the Soviet type, as experiences during the 1960s and 1970s have clearly shown. Using all economic, cultural and ideological weapons from the American arsenal, it is important to unfold a long-term offensive in order to weaken Soviet influence and strengthen American positions in Eastern Europe. It requires, on the U.S. side political determination to undertake significant efforts on a broad scale while taking into account the problems of Eastern European states, as well as the differences between them. This approach toward the Eastern European states is a long-term endeavor. There will be no immediate short-term results. Only a persistent and intensive bilateral dialogue can secure gradual progress. The U.S. must pursue a policy taking into account specifics of each individual country in order to inspire changes that lead to a departure by one or the other country from the Soviet economic and political model. For the states in the region, concrete programs must be worked out in following directions:

□□ Poland. A significant peculiarity of Poland is the still persisting categorical refusal by the people to accept the political system imposed by the Soviet Union. Notwithstanding relative successes in restoring order in Poland under conditions of martial law, the USSR must harbor concerns about Poland's reliability as an ally within the Warsaw Pact, and about its overall political and economic stability. The United States has to show realism and flexibility and inspire in Poland a development that follows the Hungarian example and serves as a counterweight to Czechoslovakia. If the human rights situation in Poland allows for it, the US should consider the resumption of dialogue with Warsaw on a higher level.

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□□ GDR. Though East Germany is exposed to influences by several factors affecting the other socialist states as well, it obtained permission to strive for higher living standards in order to reduce to a minimum potentially unfavorable impressions coming up when comparisons are made to life in West Germany. In addition, the GDR is constantly required to showcase its political and ideological purity. Its economy is expected to have especially close ties to the Soviet Union's economy. Yet nonetheless, an unofficial peace movement has emerged in the GDR. Awareness has increased of the fact that Germany plays a special role in Europe. American abilities to influence events in the GDR in political and economic regards are quite limited. Still, the US is exploring together with the GDR opportunities to move forward with solutions of long-existing problems, like for instance on official claims made by the United States toward the GDR, or on unofficial Jewish claims, and issues of exit permits. As a stimulus intended to move the GDR towards constructive solutions of

these problems, the US is floating the possibility to conclude a trade agreement at the end of these processes (albeit without granting most-favored-nation status). Such an agreement would reduce tariffs, or free certain kinds of goods agreed on in advance from any imposition of tariffs.

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□□ Hungary. Budapest conducts a pragmatic economic reform to orientate its economy towards the market. It also undertakes experiments in the context of limited political reform. The Hungarian leadership is expanding relations with Western economic institutions and, under the radar, it also aims to increase its freedom of maneuver within Warsaw Pact and Comecon. The visit by US Vice President [George] Bush in September 1983, as well as the visit by Hungary's new foreign minister to Washington in the same month, is testament to the positive US attitude towards Hungary's relative independence from the Soviet Union. The United States must expand and deepen dialogue with Hungary's official representatives, encourage Budapest to further experiment with economic and political reform efforts, and emphasize Hungary's closeness to the West as much as possible. Specific objectives of the US include an agreement over an expanded program for cultural exchange with Hungary, as well as an agreement for a multi-year arrangement to grant Hungary most-favored-nation trade status.

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□□ Romania. Romania's special position within the Warsaw Pact Organization and Comecon is a source of concern for Moscow, as are the anti-Soviet tendencies and traditions of independence from foreign rule so typical for the Romanian people. The visit by Vice President Bush in September increased in Bucharest the feeling of independence and raised the personal authority of President [Nicolae] Ceausescu. The US must continue to encourage the Romanian government to improve the human rights situation and become independent from the Soviet Union. The next American goal consists in providing Bucharest with a satellite link ground control station.

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□□ Czechoslovakia and Bulgaria. Unrest is to be noted even in these two countries with Slavic populations. As Czechs and Slovaks are people with Western mentality, they are undoubtedly upset with the pro-USSR government. Efforts must be made to create discontent with pro-Soviet policies. The US is planning in the short-term to test Prague's readiness for an improvement of bilateral relations with Washington: The new American Ambassador, Bill Luers, will propose the implementation of a consular agreement drafted already some time ago, and also conclude an agreement on cultural exchange.

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The Bulgarian leadership, filled with national pride, undertakes without much desired attention experimental economic changes in form of decentralization similar to what is happening in Hungary. In a meeting with US Ambassador [Robert] Barry in summer of 1983, Todor Zhivkov, General Secretary of the Bulgarian Communist Party's Central Committee, promised to move forward with solutions on a couple of issues in which the US is interested. This promise now begins to materialize. The US is working out a program for further bilateral steps that could contribute towards Bulgaria pursuing a more nationalist course and orienting itself less towards the Soviet Union (this program will be implemented if no convincing evidence will be found indicating a Bulgarian role in the assassination attempt against the Pope [John Paul II in April 1981 in Rome]).

The example of the two Southwestern states in the region, Yugoslavia and Albania, demonstrates even more than the examples of Hungary and Romania how countries that were once loyal socialist allies can move away from Moscow's clout. Both states are rejecting participation in the realization of Soviet plans for economic, military, and

ideological integration (though Yugoslavia still has observer status in Comecon).

☐☐ Albania. While maintaining its isolation from both the United States and the Soviet Union, Albania has established diplomatic relations with almost 100 states, including all Western European states except Great Britain and West Germany. During the last five years, Albania has come forward with a couple of quite interesting smaller initiatives towards the West (yet not vis-à-vis the US). The US is still moving within the initial stage of drafting an agreement with Albania pertaining to claims stemming from World War II (gold issues, etc.). The United States is also planning to encourage their NATO allies to expand contacts with the current Albanian regime.

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☐☐ Yugoslavia. This country has undertaken energetic efforts to modernize its economy while focusing on decentralization and market forces. Meanwhile its foreign policy stays independent and continues to maintain its positions of non-alignment. The US has to demonstrate to Yugoslavia its firm determination to support the country's independence (which occurred in part during the visit by Vice President Bush to Belgrade in September). In that vein, it is important for the US to play the leading role in drafting a package of proposals for financial aid to Yugoslavia in 1984. It has to be acceptable to all sides, namely the private banks, the governments of the states concerned, and the Yugoslav government.

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[1] National Security Council - National Security Decision Directive 54 [NS-NSDD 54]. See facsimile at <http://www.fas.org/irp/offdocs/nsdd/nsdd-054.htm>.