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PRIME MINISTER

East/West Relations in the Wake of Afghanistan

I attach two FCO papers on UK policy in the wake of the Soviet invasion of Afghanistan.

✓ The first - on the Management of East/West Relations - is a refinement of the earlier paper on the Prevention of Soviet Expansion in the Developing World which you saw over Easter. The second - on the Destablising of Soviet Client States - is the top secret paper which was promised to you as part of the previous exercise. It is an abbreviated version of a much longer paper.

✓
see Soviet Union Aug 75 (P.M. to USSR)

These papers have not been cleared with other Departments and are not at present in a form suitable for wider Whitehall distribution. The proposal is to hold a small meeting here next Thursday (at 1630) in the same format as your earlier discussions with the FCO. It would be attended by the Foreign and Commonwealth Secretary, Mr. Bullard, Mr. Mallaby, Mr. Walden ~~and a member of the planning staff (unfortunately Mr. Braithwaite is in Washington that day).~~ You may think that since the papers are getting nearer the policy stage, we should add Sir Michael Palliser to the above list.

Agreed Mr.

In the light of the outcome of next Thursday's discussion, the FCO would aim to prepare a paper for discussion at OD later in the month.

I think we have passed the point where there is much point in involving the academics formally. But perhaps you would like me to draft a letter from you to Hugh Thomas telling him how helpful and stimulating his paper has been?

Mr. P. [unclear]

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2 May 1980

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Foreign and Commonwealth Office

London SW1A 2AH

2 May 1980

Dear Michael

The Management of East/West Relations

I enclose a copy of a paper prepared in the FCO. This builds on the earlier material which the Prime Minister has seen on the "Prevention of Soviet Expansion in the Developing World". It is designed to bring out more clearly the areas in which action is already being taken, or where new decisions are perhaps needed. It has not, however, been cleared with other Whitehall Departments who have an interest, such as the Ministry of Defence and the Treasury. It is therefore not suitable in its present form for wider Whitehall distribution.

When he visits Washington at the end of the week, Lord Carrington plans to sketch out the way our minds are moving on the lines of the attached paper, without of course committing Her Majesty's Government and without going into detail.

We have given the paper a particularly restricted classification. It is critical of present arrangements in Washington. The code words "burning bush" cover all papers referring to Quadripartite discussions in the particularly restricted format of "Heads of Government Representatives" initiated by Brzezinski in January.

Yours
G G H

G G H Walden
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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THE MANAGEMENT OF EAST-WEST RELATIONS

Summary of Conclusions and Recommendations

1. We need above all to restore the coherence of the West. This means improving the existing arrangements for consultation, and perhaps devising new arrangements to bring in the Japanese and Australasians (paragraph 10).
2. We need to improve the North-South economic relationship and seek solutions for political problems of particular concern to the Third World (paragraph 15).
3. In addition we should:
 - a) Review our arrangements for applying economic sanctions to the Russians (paragraph 13);
 - b) Develop our capacity for long range military intervention outside the NATO area (paragraphs 17-20);
 - c) Improve our arrangements for giving military assistance in the Third World (paragraph 21);
 - d) Improve our machinery for conducting propaganda (paragraphs 22-24);
 - e) Develop our links with Third World political organisations (paragraphs 25-27);
 - f) Consider measures for destabilising states in the Soviet orbit (not further discussed in this paper).
4. Work is already in hand on some of these. Only modest changes in existing arrangements may be needed: we have in any case few resources available. For this and other reasons, we need effective cooperation with our allies, and an appropriate division of tasks. Some possibilities are indicated in the body of the paper.

BACKGROUND

5. The West has developed a number of arrangements for managing the relationship with the Soviet Union and its allies, covering defence, the negotiation of political and arms control agreements in the mutual interest, the development of political, commercial and other links. These arrangements remain adequate in principle for managing the direct East-West relationship. They depend however on the West's cohesion, its determination to maintain adequate forces, and its willingness in a crisis to use both its levers of pressure on the Soviet Union and its channels of communication. Recent events have called these in question: paragraphs 7-14 below therefore consider how existing arrangements might be improved.

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6. But in the 1970s existing arrangements were insufficient to prevent repeated Soviet intervention in the Third World. Here the problems are more complex. In the "North" the East-West confrontation is explicit, Soviet ambitions are contained, and most countries know well enough which side they are on. In the "South", most countries hope to evade being caught up in the East-West conflict. They feel considerable resentment toward the West, partly because of past history, partly because of their continuing economic dependence on the developed West for markets, industrial products, aid and education. Because the West is also to some extent dependent upon them, they hope to extract concessions through political and economic pressure. By contrast the Russians have ambitions rather than real interests in the Third World: they can move into (or out of) situations and countries at little cost, provided they can avoid a direct military confrontation with Western (or overtly Western-backed) forces. They offer military assistance and an ideology which is attractive to guerilla movements and to authoritarian regimes in newly independent countries. They have hitherto been little criticised for their poor economic aid performance. But their invasion of Afghanistan may lead to a more clear-sighted view of Soviet policies in this and other fields. Paragraphs 15 to 30 below consider what policies the West should pursue to reinforce such a trend.

THE MANAGEMENT OF EAST-WEST RELATIONS IN THE "NORTH"

Western Consultation and Coordination

7. The essential basis for all our dealings with the Russians has always been the healthy functioning of relationships within the West itself, combined with clear and purposeful leadership by the United States.

8. These relationships are managed formally within the Atlantic Alliance and the European Community; and less formally through the irregular Summits of the Seven and through the (secret) quadripartite and (more recently initiated) tripartite exchanges between ourselves, the French, the Germans and the Americans. These arrangements have a number of weaknesses. NATO is precluded by its terms of reference from dealing with (or - for the most part - even discussing) issues arising outside the "treaty area", some of its members have strongly resisted change, and the French insist on independence. The European Community, though a powerful influence in international affairs because of its economic weight, is rarely able to agree on effective political action, and is precluded from dealing with defence issues. The arrangements for Tripartite and Quadripartite discussion have deliberately been kept informal to preserve their confidentiality: this makes it harder to ensure that the discussions lead to effective action. The

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Summits of the Seven, an important function of which is to involve the Japanese beyond their narrow relationship with the US, meet too seldom and have hitherto dealt with economic issues: and the Japanese (as well as the Italians) are not secure. Apart from the US link, there is no arrangement for involving the Australians and New Zealanders, despite their concern with Soviet ambitions in the "South".

9. As long as the West did not face a divisive crisis, these weaknesses did not matter much. The situation has been changed by the crises in Iran and Afghanistan, and by the vacillation, confusion, and ineptitude of the present US administration. The lack of a clear and consistent lead from the Americans, and their preoccupation with their hostages in Tehran, risks greatly increasing the scope for Soviet meddling in Iran, and encouraging the Germans to develop policies in Eastern Europe which go beyond or cut across the policies of the West as a whole: this it has been the object of all post-war policy to avoid. In the interests of solidarity with the Americans, which all recognise as an overriding interest, the Europeans have adopted policies in which they do not believe. The multiplication of "consultations" has hardly helped: it has done little to reduce misunderstanding between the Americans and the Germans, and too often the Americans have failed to follow through their own proposals, either through muddle or because they have changed their minds.

10. In these circumstances we need:

- a) to strengthen our embryonic Tripartite relationship with the French and Germans. This will be a frustrating and painful process, for well-known reasons. It will need much patience. But the Europeans will not be able to function effectively unless they are reasonably united; and this depends on agreement amongst the Three.
- b) To make the Quadripartite discussions, which are the most firmly established and useful of all the smaller forums, more effective. We should limit the proliferation of meetings and ensure that they are properly prepared and followed up despite internal problems of coordination in the capitals of the other Three. The price may be a certain bureaucratisation, and an increased risk of resentment from the non-participants.
- c) To develop the political cooperation of the Nine, where we have now a certain authority. The FCO has been examining ways of improving the administration of political cooperation (eg by strengthening the Presidency). This might be pursued, though it is unrealistic to expect dramatic improvements in the present cumbersome way of doing business.

/ d) To continue

- d) To continue to nudge NATO towards discussing issues outside the treaty area; and to get the Americans in particular to make more genuine use of the North Atlantic Council for political consultation (their Permanent Representative was not even in Brussels for the first weeks of the Afghan crisis).
- e) To devise better ways of involving the Japanese (despite their leakiness) and Australasians. Bilateral relations will continue to be important. The network of meetings between officials for preparing political discussions could be maintained beyond the Venice Summit of the Seven. The recent meeting between the Japanese Foreign Minister and the Nine set a useful precedent: the Presidency might be instructed to follow it up both with the Japanese and the Australasians when issues became ripe for useful discussion. It would probably be unnecessarily cumbersome to formalise the political consultations of the Seven by setting up new institutions.

Defence arrangements in Europe

11. Despite the obvious connexion between the two, the defence arrangements of the Alliance are, for the present at least, in a slightly better state than its political arrangements. Provided that members of the Alliance stand by their existing decisions and meet their commitments, then the increase in defence budgets, the adoption of new programmes by the United States, the agreement on theatre nuclear forces, will all help to sustain the essential minimum military means for deterring Soviet adventures in the NATO area. But there are signs that even on these military issues Alliance resolution may be wavering; and the French refusal to participate in the integrated military structure is still a stumbling block. The chief problem, however, (discussed in the previous paragraph) is to ensure that the political basis is not eroded. Military arrangements outside the NATO area are discussed in paragraphs 17-20 below.

East-West Links: threats and levers

12. The East-West political links developed in the 1960s and 1970s worked well enough in the past as an instrument of crisis management. The most important channel was the secret link between Presidents Nixon and Ford (and Dr Kissinger) and Mr Brezhnev. As far as we know, this channel is not working at present, partly perhaps because of disarray in Washington, and partly because the Soviet leadership is moribund. Public exchanges (East-West summits, visits to Moscow, etc) are less effective for crisis management because they can give opportunities to the Russians to divide

/allies and

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allies and put pressure on Western opinion. The severance of such public exchanges as an expression of displeasure at Soviet actions or a warning to Moscow against actions in preparation is a gesture which can have value but cannot easily be long sustained: their resumption is a matter of timing.

13. In recent years the Soviet Union has ceased to strive for economic autarky: it is beginning to become dependent on the world economic system. To some extent, East-West trade can create a two-way dependence (e.g. Germany's interest in East European trade and gas supplies may affect her political judgement, as Poland's may be by her current debt problems). But the West has some real economic levers (grain, credit, and technology) and used them after Afghanistan. It is not clear how far these sanctions have affected Soviet actions, or will deter the Russians from future adventures. But they have presumably raised the cost of the invasion to the Russians; they could be further extended in the current crisis; and they could be used again in a future crisis. In preparation we might establish (and then discuss with our allies) a list of Soviet industries particularly dependent on technology imported from key Western countries, in order to plan and to implement a coordinated and selective deterrent embargo on a future occasion. This is a difficult project, but it should be discussed if we are serious in trying to create leverage against the Russians.

14. Other East-West links - professional, cultural and human - may have an intrinsic value, and are certainly welcome to the peoples of Eastern Europe and the Soviet Union. Their contribution to political evolution in those countries is likely to be slow and uncertain. Their severance in a crisis is unlikely to weigh much with Soviet policy makers, though it may be a necessary public gesture of displeasure by the West.

SOVIET EXPANSIONISM IN THE "SOUTH"

15. A new policy is needed to contain Soviet expansionism in the Third World, as a major addition in the '80s to Western policies towards the Soviet Union. This will require measures both to constrain the Russians and to influence the actions and attitudes of the Third World countries themselves. This latter element would be designed to strengthen the resistance of the developing countries to Soviet infiltration and intimidation. It would involve, in the first instance, tackling problems with which the Russians have little direct concern: the overall economic relationship between the developing world and the developed West; the need to reduce the West's dependence on uncertain oil supplies by conservation and the development of alternative sources of energy; the Arab-Israel dispute; racial disputes in Namibia and South Africa. These and

/others are

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others are problems to be handled separately and on their merits, rather than as part of an overall plan for countering the Russians. But if these problems could be solved, or mitigated, the Russians would lose much of their scope for making trouble where the West, but not they, have real political and economic interests at stake; and Western coordination would be made easier by the removal of points of dissension, e.g. on policy towards the Palestinians.

16. Nevertheless, there are a number of things the West can do to counter Soviet influence in the Third World more or less directly.

Military Measures: Long Range Intervention Forces

17. A Western capacity to use force at a distance can have three purposes:

- i) to intervene locally to protect our interests, or our friends;
- ii) to deter or oppose military action by a Soviet proxy;
- iii) to deter a Soviet military move in the Third World by posing the risk that a direct local clash could escalate.

18. The West's capacity to do these things has declined since Vietnam and the British withdrawal from East of Suez. But the French regularly intervene in local quarrels, and American plans for a Rapid Deployment Force will substantially increase their capacity especially in the Indian Ocean. And because people are always worried when a superpower intervenes, there may be a particularly useful role here for modest European forces.

19. Ministers have agreed that we should improve our capacity in a modest way, and the Ministry of Defence are conducting studies. When these are completed we should consider military discussions with the French and Americans about the cooperative use of our forces before or during a crisis (the French have already shown some interest in talks) and about a possible role for the Australasian forces in South East Asia and the South Pacific.

20. We might also examine the scope for more extended military cooperation with the Japanese: Japanese domestic politics may become slightly less of an inhibition in future.

/Military assistance

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Military assistance

21. Military aid to developing countries is an effective way of influencing their policies, as the Russians have found. It should be a central element in our own policies. Military aid consists of:

- a) Training assistance (on which we will spend only £5.2 million in 1980-81);
- b) The provision of loan service personnel (eg to Sudan which will cost £2 million in 1980-81);
- c) Very occasionally, the provision of cheap, or free military equipment (eg to Zambia in 1978/9 at a cost of £7 million).

A review of overall policy in this field is about to be undertaken. The terms of reference which have been proposed to MOD are general and comprehensive. The review should look at the scale of training now provided and at obstacles to our efforts. In particular, it should address both the availability of training programmes for foreign personnel and the financial charges made. It should also look at the possibility of providing emergency aid in the form of military equipment: the Russians do this, but we do not. And it should examine the possibility of a division of tasks between ourselves, the French, the Germans, the Americans, and perhaps the Australasians, and suggest ways of carrying this forward.

Political Measures: Propaganda

22. The Russians have always proclaimed the right to conduct the ideological struggle despite "detente". They attack Western domestic arrangements and foreign policies. They strongly resent Western counter-propaganda as an illegitimate interference in their affairs.

← 23. Ministers have said in public that they do not accept this "one way option", and that we welcome the ideological struggle. But our machinery for doing so has been run down. We do not need elaborate or extensive arrangements of the kind we had in the past. In any case, we do not have the money. But within the limits of our resources we need:

- ← a) arrangements to produce high quality and carefully tailored material angled towards audiences in the Soviet bloc and the Third World;
- ← b) arrangements to disseminate this material, if appropriate by covert means.

/ Modest work

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Modest work is being done by the Special Producer Unit, our friends, and the FCO itself especially following the Afghanistan invasion. The External Services of the BBC play an important role. So do Ministerial speeches disseminated by the COI.

24. We should review:

- ✓ a) whether the existing arrangements could be streamlined to get better value for money;
- ✓ b) whether more money is needed, and where it might come from;
- c) whether there is scope for cooperation with allies.

Non-alignment: Third World political organisations

25. Soviet relations with the Third World have come under increased strain not only as a result of Afghanistan, but as developing countries look beyond propaganda and at, for example, the inadequacy of Soviet economic aid.

26. We cannot expect the Third World to abandon non-alignment. But we can hope to undermine its earlier bias towards the Soviet Union. Some of this is a matter for propaganda (see above). Among other things Ministers have made appropriate references in recent speeches. But we also need to get close to Third World policymakers, and their own institutions for coordinating foreign policy. There is some scope for cooperating with the Non-Aligned Movement (NAM) and our Ambassadors are under instructions to be positive about the movement and to the philosophy of genuine non-alignment. The Islamic Conference is another important vehicle of Third World opinion; our discussions in April with the Secretary-General, Mr Chatty, about Afghanistan are an example of the cooperation we are seeking to develop. Relations with ASEAN are developing well.

27. No new decisions are needed in this field for the time being.

Destabilisation of States in the Soviet Orbit

28. The question of destabilisation has been dealt with in a separate paper and is not therefore covered here. Besides considering specific action which might be taken by the United Kingdom, we also need to look at the machinery for consulting our allies in this area.

/ Economic Measures:

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Economic Measures: Aid

*2 Cambodia?
Turmeric?*

29. Massive and carefully directed economic aid buys political support, as the Russians have demonstrated in Cuba, Afghanistan and Vietnam. Ministers have decided in principle to give greater weight to political and commercial considerations in framing our current Aid Programme. The cuts in our aid will fall particularly heavily on our bilateral programmes. We are trying to concentrate where we can on politically vulnerable countries, e.g. Turkey, Pakistan and Zimbabwe, though the sums we now have available are unlikely to make a dramatic difference.

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30. The Americans, Germans, French and Japanese all give more aid than we do. We should examine what scope there is for persuading our allies to move in where we cannot (the Germans are already increasing their aid to Turkey and Pakistan for example).

PLANNING STAFF

2 May 1980

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