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Reference

1765 (80)  
Appendix H  
[Brown Pavia paper]

Miss Neville-Jones

PRIME MINISTER'S STRATEGY MEETING: EAST/WEST RELATIONS

1. I have now managed a rather hurried reading of the papers prepared by the eight academics for the Prime Minister's Meeting. I have the following comments:

The system

Paper I: Mr Brown's paper is a scene setter which gives a lucid description of the Soviet political system as well as the factors militating against reform and change.

Paper II: Professor Nove provides a good summary of the current state of the Soviet economy and the reasons why it is close to stagnation. He comes to the conclusion, rightly in my view, that the odds are against the introduction of fundamental reforms because the leadership would see these as politically dangerous (eg decentralisation is directly at odds with the principles underlying democratic centralism). Instead, he expects a process of continuous tinkering (just what we have seen in Andropov's first year).

Society

Paper III: Dr Pravda's paper provides a good description of some of the social problems afflicting Soviet society, namely the nationalities problem, dissidents, the malaise among industrial workers, the lack of ideological commitment, and pervasive corruption. His view of the nationalities question (difficult but not unmanageable) coincides with my own.

Paper IV: Mr Bordeaux points to the revival of religious belief in the Soviet Union, (and elsewhere in Eastern Europe), but seems to me to take too little account of the differences between religious groups, and the different ways in which they are treated by the Soviet regime. There is considerable evidence to suggest that the authorities look with some favour on the Russian Orthodox Church inside the Soviet Union, as well as for propaganda purposes outside. The Orthodox Church has always been identified with Russian nationalism. The growth of this in recent years, and the benign view taken of it by the regime, has inclined them to a correspondingly greater tolerance of the Orthodox Church - even as they have stepped up the repression of Baptists and Roman Catholics. Overall I am inclined to think that Mr Bordeaux may be overestimating the impact of religion. If it is a solvent eating away at the Soviet fabric, my own guess is that it is a pretty slow acting one.

The economy

Paper V: Mr Kaser's paper on the economy is a good deal more technical and more indigestible than Professor Nove's general description in Paper II. It is good on demographic problems, and

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the demand/supply imbalance. But it is notably deficient in failing to refer to the strengths of the Soviet economy, as well as to its weaknesses. Despite its difficulties, the Soviet economy continues to grow, albeit much more slowly than in the past; and it remains immensely rich in natural resources, although the extraction problems are formidable. Somewhere in this collection of papers it would also have been useful to have been reminded that the Soviet Union has a low debt ratio and remains an attractive proposition as far as the Western banks are concerned.


Paper VI: The paper by Dr Amann on technology struck me as one of the most interesting. I agree with his conclusion that the import of Western technology by the Russians can be a palliative for their economic difficulties but not a cure. The last section of the paper, which puts questions to Western policy makers, is interesting and provocative. Like Dr Amann I have serious doubts about trying to destabilise East European countries. Policies aimed at destabilisation would probably provoke the Stalinist reflex to which he refers.

Power:

Paper VII: I am not convinced by Mr Donnelly's assertion that because the Soviet Union is a militarised society (which it is), military spending acts as a dynamo for the economy as a whole. My impression is rather that the military economy creams off the best minds and best resources at the expense of the civilian sector; and that the rigid compartmentalisation of Soviet economic organisation prevents the military economy from benefitting civilian sectors either much or quickly. I also doubt whether the Soviet General Staff is as confident as Mr Donnelly about the reliability of non-Soviet Warsaw Pact forces, certainly in a war which lasted for any length of time.

Paper VIII: Mr Schöpflin's paper on Soviet attitudes to Eastern Europe seems to me to get it exactly right. Like him I see little prospect for Finlandisation, and like him I would expect tension and periodic disturbances but no real change in the foreseeable future. I think he makes a useful point by raising a warning flag about Yugoslavia. My guess is that it might well provide the next East European crisis (politically as well as economically). I also share Mr Schöpflin's scepticism about the possibility of reformism in Eastern Europe having an influence on the Soviet Union itself.

2. Taken as a whole, three things strike me about these papers:
- (i) their analysis is close to our own and offers no startling new insights;
  - (ii) the expectation is of minor reform not major change in the Soviet Union;
  - (iii) there are no suggestions here for any radical departures
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in UK policy towards the Soviet Union and its allies. (This is not surprising; the scope for change is very limited).

  
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