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From: N H R A Broomfield
EESD

Date: 7 September

Private Secretary

Appendix L
[Brown Pavia paper]

Copied to: [REDACTED]

EAST/WEST RELATIONS: PAPERS BY ACADEMICS

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1. In your minute of 5⁽⁸³⁾ September you recorded two points raised by the Secretary of State on the papers put forward by the academics as background to the discussion on 8 September.

Economic Burdens

2. 'In short, we may have enough influence to de-stabilise, but we are not capable of controlling de-stabilisation'.
3. In considering this quotation from Dr Amann's paper, and the Secretary of State's related question about what we really want to happen - steady advance and Westernisation or stagnation and collapse - I would draw a distinction between the Eastern European countries and the Soviet Union. In Eastern Europe, with Hungary in the lead, the West has developed quite substantial economic and financial links. I am still doubtful that the abrupt rupture (complete trade embargo) would lead to a total collapse or major de-stabilisation of those economies. But in any event, what we are striving to achieve is the development of economic pluralism in Eastern Europe in the expectation that both of itself and as a result of the links created with the West, it would assist political liberalisation as well. This has been the experience in Hungary.
4. As far as the Soviet Union is concerned, the paper we have sent to the Prime Minister on East/West relations sets out the relatively limited economic dependence of the Soviet Union on the West. (Soviet imports from the West account for 4% of Soviet gnp, hard currency debt, less than 1% of gnp). Experts are still arguing about the real burden on the Soviet economy of defence expenditure. (page 35). Some, even in Washington, have argued that the burden of military expenditure peaked in 1976 and has declined, albeit slowly, since then. Our own assessment of Soviet growth is for a slow-down to 1-2% in the 1980s, taking account of the factors mentioned on page 36, and not zero growth. My own view is that for the foreseeable future, the West does not have enough economic influence to de-stabilise the Soviet Union. Even if we did, it would be a high-risk policy to use it in the way suggested by Dr Amann.
5. The Korean Airliner incident has illustrated the siege mentality of at least the military within the Soviet Union, an economic boycott would reinforce it and possibly even generate some genuine support for the regime. The Soviet leaders are having enough difficulty in trying to reform their inadequate

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economic system in a way which does not undermine party control. We should not interfere and allow the party bureaucrats the opportunity of passing the blame onto the West.

Importance of Religion

6. The Rev Bourdeaux's judgement is subjective and long-term. I have discussed it at length with Mr Duncan, Head of our Research Department (Soviet Section) who has just returned from Moscow. He and I agree that the nature of the Soviet system makes it hostile to any alternative views whether political, nationalist, religious, dissident or otherwise. Mr Duncan's judgement of the strength of religion in the Soviet Union is that 'interest in religion is diffuse, mostly non-practicing and to be seen as an intellectual and semi-conscious reaction against the tedium of life under the Soviet system. It is not a charter for action. The activists are few and well publicised: the interested are many but supine.'

7. I find this judgement too harsh. My own experience in Moscow was that religion still permeated, even sub-consciously many aspects of Soviet life (Brezhnev's funeral in Red Square struck me as following very closely the Orthodox Church ritual without the priest). My own view is that the Soviet system will change from within, (whether it will collapse or evolve is perhaps the key question). In that change, religion will play an important but not decisive role. The decisive role will probably be played by economic failure and inability to understand and control the technological and communications revolution which is now sweeping the developed world.

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7 September 1983

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