

HOOVER INSTITUTION

ON WAR, REVOLUTION AND PEACE

Stanford, California 94305-6010



19 November 1989

Dear Prime Minister,

Dear Minister
As always, some
very valuable
insights.

CDP
28/11

I am enclosing a note on the present position and prospects in the Soviet Union and Eastern Europe.

Over and above that, the Eastern European developments are, of course, intimately and linked with the fundamental issues of the EEC, in a way which thoroughly validates your careful and critical view of the Community's future.

The Economist says entry into EMU will strengthen the market forces as against the bureaucratic forces in the EEC. The opposite may be true: continental étatism and dirigisme -- no words in English! -- are at present so much on the offensive, economically, socially and politically, that (put crudely) our influence "from within" may be less hopeful than defiance "from without". Incidentally I am told that the EEC already has, in some areas, more powers over its members than

the federal government in Washington has over the states.

When it comes to the Eastern European countries, the notion that they could readily be incorporated in any meaningful way into such a rigid structure as the proposed future EEC, seems absurd. On the contrary, such an EEC is likely to be a repeller, not an attracter, of the newly democratized societies of the Soviet bloc.

Of course, in this or any other context, it would be idle to 'predict' development in the Soviet Union and Eastern Europe. You will already have seen the seven or eight scenarios prepared, I think, for NATO. But at least our contingency planning should cover them all. I am not convinced that the Americans have thought this out.

I thought your attitude in and after Moscow absolutely correct -- full encouragement to Gorbachev, but no unilateral letting down of our defence guard until the military facts justify it. Not everyone in America or Europe gets this right!

Political devolution in Eastern Europe has not yet been matched by serious Soviet military redeployment into a defensive mode along the European front. And even when such redeployment is complete at the local level, it would not in itself indicate a substantive transformation of Soviet "Grand Strategy".

All the same, as I have suggested, we seem to be seeing the beginnings of a putting into action of the 'new thinking' agenda on foreign policy and defence which started to emerge a couple of years ago, and have to be prepared for, without

prematurely anticipating, the completely new situation which may result.

I have heard two perceptive observations on the present Soviet leadership lately. One is that, as a political manoeuvrer, Gorbachev has "a very small turning circle". The other, from a fairly liberal apparatchik, was that Gorbachev, Vadim Medvedev and Aleksandr Yakovlev all had "humanities educations", unlike the Brezhnevites who had all gone through engineering and/or Party schools. Of present political figures with such limited training, he mentioned Ligachev -- and Yeltsin.

with woman's work, as ever,



Robert Conquest

Some Notes on the Soviet Bloc: November 1989

The 'new thinking' on Soviet international state interests, of which I wrote you a year or so ago, is now beginning to be translated into action. It has become a commonplace in the political, foreign policy and military intelligentsia, both within and outside Soviet government circles, that for the foreseeable future the country's interests now require a defensive posture and a withdrawal from (as some of them frankly put it) their "empire" in Eastern Europe. This is, of course, not to say that such a view has completely prevailed: old-style political and military circles, with important support, are still opposed and might yet prevail. Nevertheless, the signs are that, for the present at least, that agenda is starting to produce real action.

The German events constitute the real breakthrough. An official of the Central Committee International Department said to me a few weeks ago that devolution in the rest of Eastern Europe was not difficult, but that East Germany was the "bone stuck in our throats", both politically and militarily.

There is no doubt that Gorbachev and the Soviets put every possible pressure on Honecker (and on Zhivkov, and will shortly do so on Jakes.)

The giving up of East Germany in return for a united neutral Germany has been a Soviet option for many years. Even Stalin toyed

with it in 1947, while Beria (in 1953), Malenkov (in 1955) and Khrushchev (in 1963-1964) were moving in that direction -- but in each case were blocked by the traditionalists.

That East Germany, in particular, can now be thrown in thus marks a notable political victory for Gorbachev and his associates over the surviving old-line party elements, and implies a further political consolidation of his power with an offensive from strength against them. And apart from anything else, in the context of any future crisis in the USSR, factions hostile to Gorbachev are losing allies in Eastern Europe and he is gaining them.

(2) An effectively neutralised Germany can in any case be represented even to Soviet sceptics as a solid benefit to be obtained by the new policies. It is clear, in spite of the ritual denials used at this stage in the development of a Gorbachevite policy, that he sees no real possibility of now preventing a unification of Germany. In spite of various qualms similarly expressed in the West Germany by SDP'ers and others, this seems correct. No doubt various transitional forms will emerge en route, but it seems impossible to prevent the Germans from having their way on this -- and in a fairly short run too -- whether we like it or not.

Western voices to the effect that a United Germany can remain part of not merely the EEC but also NATO must be absurd. Are the Soviets really expected to allow NATO's frontier to be on the order?

Is it even plausible (except as a very transitional manoeuvre indeed) that East Germany could be demilitarised and West Germany not?

The Soviet Government may be expected to play its hand carefully, and not insist of Germany's formal withdrawal from NATO, merely the reduction of its active membership to an exiguous level.

(3) This will obviously have enormous repercussions for British foreign policy (and, not entirely incidentally, how absurd it was to read of the former Chancellor of the Exchequer speaking as though the EMS was simply a treasury issue and not one of high politics).

? In my view NATO can survive in truncated form as a renegotiated American-British-French-Italian-etc alliance on a different basis.

(4) As to internal Soviet politics, the Soviet leaders are giving the impression that they expect in the fairly near future to have to put into effect a fairly tough clamp-down. This may appear necessary to cope with the railway situation, with strikes and so on. But the minority nations within the USSR may also face the hard line which East Europe is escaping.

This reflects, in a sense, the position in the upper echelons of the Party, where what appears to be a majority sentiment for devolution in Eastern Europe may not apply to the Soviet republics. The Baltic States may be a borderline case, with the

possible concession of practical, even if not formal, independence. But even this is dubious and the prospects are less promising.

In part this reflects the varying extent to which Soviet foreign and nationality policy is in pawn to the West. A Soviet repression in Warsaw or Budapest would instantly and certainly destroy all Soviet hopes of conciliation. In Riga or Tallin, less so. In Tbilisi or Erevan, less still. Or such seems to be the calculation.

But, except in the short run, these problems cannot be solved by force and falsification. This applies not only to economic and social matters but also to the nationality issue: it is clear that the whole Soviet claim to have satisfied the aspirations of the constituent nations was totally unfounded and is absolutely bankrupt, and that political solutions must be found (as even Ligachev has said).

The moral basis of the regime was always that though force was allowable and necessary, the support of the masses was the essential justification. The ruling class is now faced ineluctably with the desperate choice of openly facing the enmity of whole nations, or of beginning to accept their demands for a share of power. But this means, to put it mildly, that the forms of the Union can only be maintained (except on the short run) by a great diminution of Moscow's real power. The first step, in Eastern Europe, has been taken. The second, in the Baltic States is too much to be swallowed as yet, or so it now appears.

(5) Gorbachev and his group seek, and expect, political victory by the time of the Party Congress next autumn. The prospects of this now seem good. But it leaves a very slim margin of time for the economic breakthrough now so urgent.

Here, the whole Soviet approach has, so far, been fumbled.

The vast overproduction of useless, and under-production of useful goods, is in part due to problems of management, incentive and worker-psychology, but is very largely the result of the vast amount of capital tied up in worthless enterprises. Such problems are deep-set, and will take years to resolve. (In a way the situation of the USSR and the EEC seem comparable. The Russians were ruined by a proliferating bureaucracy convinced that the way to run things is by endless administrative and regulatory detail. Moscow now admits this, and is seeking ways to debureacratise. Brussels wants more and more of this exploded étatism. If the Eurocrats had their way, Britain would soon have less economic autonomy than the Soviet leaders claim they may give the Baltic States).

What is more depressing is that, apart from failure (so far) to tackle the systemic problems, the Soviets are not even coping with more easily settled difficulties. Thus, the effective (even if not formal) dissolution of the collective farms is a basic necessity. But even under the present system a vast improvement could be effected by merely cutting the number of cattle -- the farms are forced to keep excessive numbers for merely prestige reasons (as in parts of Africa).

The co-operative shops have to charge inordinately high

prices -- because they still have to rely largely on the state distribution networks, which remain totally bureaucratised. This could be reformed with comparative ease.

You probably read the speech of the Soviet Railways Minister last month complaining that 25,000 fully loaded railway wagons are stuck in sidings as the terminuses are too clogged to receive them; that thousands of tons of freight are held up on the Soviet borders with Poland, Hungary and so on; that in Moscow 1700 railway wagons are waiting to be unloaded. In the West, troops would be sent to unload needed and perishable food. The huge Soviet army does not seem to be available. Why not?

Another reform which would not entail difficult systemic change would be permitting house-building co-operatives. The demand, the necessity, is enormous. It would soak up a great amount of unemployment or useless employment. But it is not done. Again, why not?

(6) The depth of the Soviet economic and general crisis is due to the extreme pertinacity there of the Marxist-Leninist doctrines and the Leninist principles of party discipline. It was only when the country was on the verge of economic, social, ecological and intellectual ruin that the minds of the leaders were, in varying degrees, forced to accept a reality which their whole mind-set had rejected.

But the acceptance has not been complete, and has produced great tensions within the Soviet political mind. In a period of transition such apparent (and real) contradictions are natural.

The Soviet leaders have one foot in the past and one in the future. And human nature being what it is, it is possible for people to believe contradictories.

We can certainly assume that Gorbachev, and to a less reliable extent the majority of the leadership, understands that the economic system has failed, and needs urgent reconstruction. Depending on the degree to which this is seen, the Communist mind-set has been eroded. But deeply implanted belief systems are very hard to eliminate, and much of the conceptualisation of the Soviet future is in terms not of capitalist democracy, but of a renovated socialism which will somehow be able to adopt some Western economic methods without essentially transforming itself.

In fact we are in a period of major transition in political psychology. The re-forging of an entire political culture is a long and refractory process. The immediate question is whether enough progress can be made for it to be possible to cope with the economic crisis before it becomes unmanageable. It looks like being a very near thing.

