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GORBACHEV'S BREST-LITOVSK: THE KREMLIN'S GRAND COMPROMISE IN EASTERN EUROPE

INTRODUCTION

The Soviet-controlled part of Eastern Europe is in deep economic and political trouble. After four decades of communism, the economies of Eastern Europe are no better than those of many Third World countries. Eastern Europe suffers from abject poverty, massive housing and food shortages, shoddy or unavailable medical care, an ecological crisis, obsolete and stagnating industry, drunkenness, and falling life expectancy.

The only thing propping up East European economies are continual transfusions from Moscow. In recent years it has cost the Soviet Union between \$11 billion to \$15 billion annually to subsidize Eastern Europe.¹ As he attempts to overcome a severe and mounting economic crisis at home, Soviet leader Mikhail Gorbachev may be finding the cost of preserving the old political order in Soviet-dominated East European countries too high.

Nightmarish Choice. Yet even these subsidies no longer buy stability and docility in Eastern Europe, where demands for economic and political reforms mount. This too must worry, even frighten, Gorbachev. It could confront him with a nightmarish choice: invading one or even several East European nations to suppress anti-Soviet popular democratic movements of national liberation, or withdrawing from Eastern Europe under fire if these movements cannot be controlled.

1 Henry S. Rowen and Charles Wolf, Jr., *The Future of the Soviet Empire* (New York: St. Martin's Press, 1987), Table 7-3. Subsidies are for energy and raw materials. Figures also include economic and military assistance. These figures do not include the enormous cost of Soviet military forces in Eastern Europe.

The first option of suppressing reforms in Eastern Europe would mean the end of relaxed East-West relations and Western financial and technological assistance, without which Soviet economic reform would be doomed. Such an outcome would spell the end of Gorbachev's plan for reversing the economic crisis in the Soviet Union and would usher in a period of even worse economic times that undoubtedly would lead to major internal political upheavals.

The second option of retreating, especially in the aftermath of the defeat in Afghanistan, could lead to a complete dissolution of the Soviet empire in Eastern Europe and could ignite further nationalist unrest in the non-Russian Soviet republics of Estonia, Latvia, Lithuania, and the Ukraine.

Both choices surely are unacceptable to Gorbachev. A third option is almost certainly what he would prefer: some way to disengage partially from Eastern Europe, reducing the Soviet economic and political burden there, without adversely affecting the East-West balance of power, and without giving up Eastern Europe as an area in which Moscow has dominant influence. To do this, however, will mean making concessions to East European reformers and possibly to the West.

Disengaging for tactical reasons is not new to the Soviets. "The whole history of Bolshevism," wrote the founder of the Soviet state, Vladimir Ilyich Lenin, "both before and after the [1917 Bolshevik] October revolution, is full of instances of maneuvering, temporalizing and compromising."² From the very beginning of the Bolshevik regime, the communists knew how to accept a tactical retreat and temporary losses to preserve their power and to fight again another day.

Buying Time. In dealing with Eastern Europe, Gorbachev may be no different than Lenin, who facing imminent defeat at the hands of advancing German armies in World War I, persuaded the Bolshevik leadership to sign the humiliating March 3, 1918, Treaty of Brest-Litovsk, which deprived Russia of the Ukraine, Finland, the Baltic and Polish territories, and stripped it of one-third of her population. As draconian as the Treaty was, it bought the Bolsheviks time to consolidate power inside Russia.

Only the subsequent allied victory over Germany in effect invalidated the Brest-Litovsk Treaty. Since then, the very term "Brest-Litovsk" for the Soviets has conjured up the image of a desperate Bolshevik leadership willing to trade valuable territory and other resources in exchange for breathing space to stay in power. The question now is whether Gorbachev could contemplate such a trade.

The price of subsidizing and policing Eastern Europe and the resources — financial and managerial — required for perestroika at home may be prompting Gorbachev to consider an East European compromise on the

2 V.I. Lenin, "Left-Wing Communism, An Infantile Disorder" (New York: International Publishers, 1960), p. 22.

magnitude of a Brest-Litovsk. If so, then another question arises: What role, if any, should Washington play?

While the United States shares none of the Soviet objectives in Europe, Washington and Moscow may have an overlapping interest in ensuring that a partial Soviet disengagement from Eastern Europe, if it occurs, does so in an orderly and bloodless fashion and does not produce dangerous levels of instability. The aim of U.S. policy should be to deny Gorbachev the objectives detrimental to Western security and the cause of democracy in the region while successfully promoting self determination, freedom and democracy, and free market economic reforms in Eastern Europe.

In this sense, the U.S. could play a role in Moscow's disengagement from Eastern Europe. What Washington could do is:

- 1) **Use the East-West Conventional Armed Forces in Europe (CFE) talks in Vienna to assure Western Europe's security and to make a reconquest of Eastern Europe by Moscow more difficult.**
- 2) **Develop criteria by which the U.S. can monitor whether Soviet disengagement from Eastern Europe is genuine.**
- 3) **Develop disincentives to persuade Moscow not to interfere with reforms, such as Moscow's reported vetoing last month of a Solidarity-based government in Poland.**
- 4) **Develop incentives to prod Moscow to permit further reform in Eastern Europe.**
- 5) **Open direct talks with Moscow, as suggested by Henry Kissinger, to discuss the terms of Soviet disengagement from Eastern Europe.**
- 6) **Assure Moscow that the West does not seek a military presence in Eastern Europe as the Soviet Union disengages from the region.**

CRISIS ZONE EASTERN EUROPE

A secret Polish government memorandum, subsequently leaked to the West, concluded in October 1987 that if socialist countries did not reform themselves radically, "the further history of our formation will be marked by shocks and revolutionary explosions initiated by an increasingly enlightened people."³ The author of the memorandum was Mieczyslaw Rakowski, the current First Secretary of the Polish Communist Party. A year and a half later, the leader of the reformist wing of the Hungarian Communist Party, Imre Pozsgay, told party activists that Eastern Europe was the world's "greatest crisis zone."⁴

3 As quoted in Timothy Garton Ash, "Reform or Revolution?" *The New York Review of Books*, October 27, 1988, p. 47.

4 *The Washington Post*, February 29, 1989.

The legacy of over four decades of communism in Eastern Europe is obsolete heavy industries, consumer shortages, economic inefficiency, corruption, and a poorly motivated and disciplined work force. The six Central and East European countries – Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania – owe the West over \$100 billion. They have little hope of reducing this foreign debt in the foreseeable future because most of their products are not competitive in the world's hard currency markets.

The Crisis in Poland. The situation in Poland is particularly severe. For almost a decade the country has been teetering on collapse, plagued with horrendous shortages of everything from toilet paper and soap to apartments and meat. Over half of the industrial capacity is not utilized because of the lack of raw materials and energy. An estimated 25 percent to 33 percent of Poles live below the poverty line of 60,000 Polish zlotys per person per month, or \$24 at the official exchange rate. The country's hard currency earnings are not enough even to pay the interest on its \$39 billion foreign debt. Says Central Committee Secretary Leszek Miller, "If the economic situation does not get better, and if there is growing tension in society as a result, it is easy to imagine a wave of anarchy and chaos."⁵

The End of Showcase Socialism in Hungary. Until a few years ago, Hungary was considered socialism's East European showcase. But since the middle of the decade, economic growth and the standard of living of Hungarians have fallen steadily. Some 40 percent of Hungarians now live below the official poverty line of 3,400 Hungarian forints per person per month, or \$52 at the official exchange rate. Hungary owes the West \$18 billion, and its per capita foreign debt of \$1,800 is highest in the Soviet bloc. The country spends 80 percent of its hard currency earnings on debt service, but even that is not enough; Hungary still needs to borrow \$3 billion annually to make payments on its foreign debt. Economic decline is precipitating political instability. The Hungarian Socialist Workers Party (HSWP), the Communist party's official name, is badly split between hardliners and reformers and suffers continuous membership loss. "Everyone finds it difficult to be a Party member," admitted Imre Pozsgay, Minister of State and a leading member of the Hungarian Politburo. "The Party is discredited in the public's eyes."⁶

The Gathering of a Storm in Czechoslovakia. Compared to Poland and Hungary, Czechoslovakia's economy is in relatively good shape. The country's debt to the West is the smallest in the Soviet bloc except for Bulgaria and Romania – under \$5 billion – and agricultural production, although inefficient by free market standards, keeps the food supply plentiful and diverse.

The real problem in Czechoslovakia is the emergence of political unrest. The first major street protest in two decades broke out on August 21 last year, when thousands marched in Prague on the 20th anniversary of the

5 *The Washington Post*, February 4, 1989.

6 From an interview to Radio Free Europe/Radio Liberty on May 24, 1989.

Soviet invasion. Demonstrations were renewed in October and November, culminating in five days of protests in Prague's Wenceslas Square during the January "Palach week" which commemorated the death of Jan Palach, who set himself on fire on January 16, 1969, to protest the Soviet invasion.

Perhaps most troubling to the Czechoslovak government was the youthfulness of the protestors; most were men and women in their twenties, the generation whose entire lives were spent in the post-1968 period during which the communist authorities sought to eradicate the memories of the Prague Spring. Jeri Laber, a leading U.S. human rights activist, who visited Prague last spring expecting to "encounter a mood of sadness and dejection," found instead "a more combative, independent, and generally optimistic attitude" than at any time in the previous ten years.⁷

THE BURDEN OF EASTERN EUROPE TO THE SOVIET UNION

Eastern Europe is a tremendous drain on the Soviet economy. Moscow is estimated to spend between \$11 billion and \$15 billion a year on trade subsidies, trade credits, and economic and military aid.⁸ This figure excludes the cost of Soviet military forces in Eastern Europe, estimated at least at \$26 billion annually. The single largest cost to Moscow are the subsidies by which it sells energy and raw materials to its allies below world prices, while paying higher than world prices for such imports as Czech shoes, Polish chickens, and Hungarian fruit.

These costs are especially painful for Moscow to bear because of the steep decline of world oil prices in the mid-1980s. Exporting oil provides the Soviet Union with hard currency. According to Soviet sources, since 1986 falling oil prices have resulted in a total loss for Moscow of 40 billion rubles, or \$62.4 billion, in revenues.⁹

Getting Tough with "Fraternal" Socialist Countries. To ease the financial drain of falling oil prices, the Soviet Union has been charging its allies higher prices for oil and demanding that they balance their trade accounts with Moscow by repaying multi-billion ruble debts. As an exasperated Soviet

7 "Fighting Back in Prague," *The New York Review of Books*, April 27, 1989, p. 39. While actively encouraging reform in Poland and Hungary, Gorbachev is wary of pushing the orthodox Czech leadership too hard, apparently counting on domestic developments to sweep away the neo-Stalinist regime of Milos Jakes. In the meantime, Czechoslovakia is frozen in the old, pre-perestroika ways. Moscow has adopted a similar wait-and-see attitude toward Bulgaria and Romania. The fate of East Germany and the role it might play in Gorbachev's plans are tied to the larger strategic issue of West Germany and eventual German reunification. This is potentially the most explosive issue for Moscow's East European policy, and Gorbachev is proceeding with extreme caution. Given East Germany's relative economic prosperity, a great deal of which is due to West German subsidies, and the aging communist leadership's resistance to reforms, Gorbachev at the moment seems content with the status quo in East Germany.

8 Henry S. Rowen and Charles Wolf, Jr. *op. cit.*

9 V. Katasonov, "Ne neftiu edinoy" ("Not by oil alone"), *Literaturnaya Gazeta*, March 1, 1989.

Foreign Minister Edward A. Shevardnadze put it: "It is in no way necessary to proceed from the fact that relations with friends must result in losses."¹⁰ Artificial prices, worthless currencies, and a shortage of consumer goods in the Soviet Union further aggravate the situation. Hard pressed to alleviate the consumer misery at home, Moscow clamped a 100 ruble limit on the amount of goods tourists from "fraternal" socialist countries could take out of the Soviet Union.

Questioning the Burden of East European Empire. No matter what might have been said behind the closed doors of Politburo meetings, the Soviet leadership never questioned publicly the Soviet commitment to its European empire. This no longer is true. In the past year, the nature and the price of this commitment have been the subjects of a lively and remarkably frank discussion, signaling a reassessment of the Soviet commitment to Eastern Europe by the highest level of Soviet decision-makers.

A group of Soviet scholars from an institute headed by Gorbachev's top advisor on Eastern Europe, Oleg T. Bogomolov, Director of the Moscow-based World Socialist System Economy Institute, concluded last year that "the administrative-state model of socialism, established in the majority of East European countries during the 1950s under the influence of the Soviet Union, has not withstood the test of time, thereby showing its political and economic inefficiency."¹¹

The veteran *Izvestia* reporter and columnist Stanislav Kondrashev argued that, compared to the U.S. contribution to the Atlantic Alliance, the Soviet Union has to shoulder a much greater share of the Warsaw Pact costs.¹² Possibly preparing public opinion for some form of an eventual disengagement from Eastern Europe, Kondrashev added: "Our Western opponents argue that the balance of forces in Europe is in the Soviet favor. But for an individual Soviet citizen, for the quality of his everyday life the balance is not at all in our favor. It is this imbalance that must be eliminated... in order to raise the standard of living."¹³

Allied with Economic Losers. The gross national product of the NATO countries, points out Kondrashev, is four times that of Warsaw Pact members. Both in terms of their "economic potential and scientific-technological development," he continues, "the GDR [German

10 *Vestnik Ministerstva Inostrannykh Del (The Herald of the Ministry of Foreign Affairs)*, September 10, 1987, p. 3.

11 The position paper was prepared by the Institute of the Economics of the World Socialist System (Moscow) and presented by the Soviet delegation to a U.S.-Soviet conference on Eastern Europe. See *Problems of Communism*, May-August 1988, p. 60.

12 Stanislav Kondrashev, "Paritet v dvukh izmereniakh – voennno-strategicheskome i obyknovennome chelovecheskome" ("The two dimensions of parity – military-strategic and commonly human"), *Izvestia*, February 4, 1989.

13 *Ibid.*

Democratic Republic or East Germany] is not the FRG [Federal Republic of Germany or West Germany], Poland is not France, Czechoslovakia is not Britain, Hungary is not Italy, and Bulgaria is not Canada.”¹⁴ The meaning of this comparison is clear: Moscow is stuck in an alliance with a bunch of economic losers. Kondrashev called upon Soviet leaders to find “a way out” of this “depressing cul-de-sac.”¹⁵

Soviet academics and the press now characterize as ineffective the Soviet-led economic alliance, the Council for Mutual Economic Assistance (CMEA), or COMECON, as it is widely known. East European affairs expert Bogomolov describes the “collapse of CMEA’s prestige” because of “reduced effectiveness in economic, scientific, and technological cooperation, and a growing dissatisfaction with existing economic relations.”¹⁶ The Soviet press acknowledged for the first time last year that the CMEA members were in debt to the West and identified Poland and Hungary as the two largest debtors.¹⁷ Such a statement is politically important because it admits the dependence of the Eastern bloc on the West.

THE GRAND COMPROMISE: FROM A SPHERE OF DOMINANCE TO A SPHERE OF INFLUENCE

The change in Soviet policy toward Eastern Europe may be linked to a broader revision of Soviet foreign policy doctrine known as “new political thinking,” which alters the traditional cost-benefit analysis in the planning of Soviet foreign policy. Formerly, virtually no price short of war apparently was too high to pay for spreading the communist creed and establishing client regimes all over the world. Now, however, the Kremlin seems to have shifted its priorities toward alleviating a desperate economic situation at home by seeking good relations and economic and technical assistance from the West.¹⁸ “New thinking,” if genuine, is based on a more realistic and less

14 *Ibid.*

15 *Ibid.*

16 *Problems of Communism*, May-August 1988, p. 64.

17 *Izvestia*, January 16, 1988.

18 It is true that the economic situation in the Soviet Union has been worse than it is today – for example, after the collectivization of agriculture in 1930-1931 and after World War II. In those economic breakdowns, however, the regime’s survival was achieved by repression of immense proportions. Such repression today would be incompatible even with sustaining the Soviet economy, much less with its growth and, eventually, with the preservation the Soviet Union’s status as the world’s military superpower. In addition to the Soviet leadership’s apparent understanding of this connection, perestroika was precipitated by a confluence of several key factors that increased the Soviet elite’s awareness of the crisis. Among them: the collapse of world oil prices; the success of Chinese economic reforms; a growing gap between the Soviet and Western economies; Japan’s edging the Soviet Union out of second place in terms of gross national product; the election of Ronald Reagan and the rearming of the U.S.; the defeat in Afghanistan; the increasingly high-technology character of the arms race as exemplified by the U.S. Strategic Defense Initiative; the communication revolution and the first post-Stalin political elite.

ideological assessment of the Soviet domestic and international situation and has resulted in the withdrawal from Afghanistan and greater flexibility in nuclear and conventional arms control negotiations.

Common Sense. One example of Soviet “new thinking” is the fact that the Soviet media take a less strident anti-Western position in their broadcasts and publications. Example: Soviet journalists and broadcasters now frequently question the longstanding official claim that the West wants to invade the Soviet Union, which more than anything has justified Soviet control of Eastern Europe. A group of scholars from the prestigious and officially sanctioned Institute of the USA and Canada have written that “remaining within the boundaries of the common sense, it is difficult to imagine objectives for the achievement of which Western armies would invade the socialist states.”¹⁹ History does not repeat itself, argues *Izvestia*’s Kondrashev: “Can another Hitler come to power? No. Do the Americans crave our territory? No. Europe has changed beyond recognition, and our past is not the best source of answers to our future problems.”²⁰

Another characteristic of “new thinking” is the recognition that capitalism is not likely to collapse. As Kondrashev puts it, “the hope for an eventual crash of world capitalism has not been fulfilled. Having survived Stalin, this hope came in full bloom under Khrushchev and then was artificially cultivated under Brezhnev, but it looks like we have finally abandoned it.”²¹

Reducing the Kremlin’s Costs. Coupled with the Soviet recognition that Eastern Europe may be real estate that Moscow no longer can afford, “new thinking” may have produced the movement toward Gorbachev’s grand compromise on Eastern Europe. The essence of the compromise is that Gorbachev would settle for Eastern Europe ceasing to be a sphere of Soviet dominance (maintaining undisputed military, political, and economic control) if it became a sphere of Soviet influence (lacking absolute control but remaining the outside power with the most influence). What Gorbachev would get out of this, of course, is a reduced cost in the Soviet economic, military, and political commitment to Eastern Europe.

Several factors are responsible if Gorbachev is seeking such a grand compromise:

- ◆ ◆ the severe economic crisis at home, which makes continuing subsidies to Eastern Europe extremely difficult to afford;
- ◆ ◆ the decline of East European economies, which exacerbates the popular resentment against the communist system and Soviet domination;
- ◆ ◆ the increasing political instability in Eastern Europe and the Soviet Union; and

19 V. Zhurkin, S. Karganov, A. Kortunov, "Vyzovy bezopasnosti – starye i novye" ("Challenges to security – old and new"), *Kommunist*, 1 (January), 1988.

20 Stanislav Kondrashev, "Obychnye sily" ("Conventional Forces..."), *Izvestia*, April 2, 1988.

21 Stanislav Kondrashev, "Vzgliad iz Moskvyy" ("A Look from Moscow"), *Izvestia*, May 12, 1989.

◆ ◆ the vital importance of obtaining Western credits and economic aid, which forces Moscow to act with restraint in Europe.

Like Lenin's Brest-Litovsk Treaty, Gorbachev's grand compromise in Eastern Europe may be a retreat in the face of overwhelming odds, while hoping to reap economic and political benefits from the West. These benefits could include loans, advanced technology, management training and expertise, membership in international monetary organizations, and the dramatic growth of Soviet international stature and prestige.

Gorbachev's strategy of disengagement may be two-fold: 1) support for a carefully managed program of domestic political reform in such East European countries as Hungary, Poland, and Czechoslovakia, and 2) the pursuit of arms control negotiations with the West.

Political Reform: The First Pillar of Gorbachev's Strategy

Political reform in Eastern Europe has Moscow's explicit approval. While visiting Hungary in April 1988, for example, Soviet Prime Minister Nikolai Ryzhkov told the Hungarian leadership that Hungary had earned Soviet respect by its "role as the path-blazer of non-standard solutions."²² Addressing the Congress of Peoples' Deputies in Moscow this May, Gorbachev twice stressed his support for the "non-interference in internal affairs,"²³ a code phrase for letting the developments in Europe proceed without interference from Moscow.

In a telling demonstration of Soviet approval of East European reform, Moscow sent its diplomats to Budapest this June 16 for the ceremonial re-burial of the leaders of the 1956 Hungarian Revolution, although the ceremony was unofficial and, as such, did not require diplomatic representation. An unmistakable sign of the Kremlin's acceptance of reforms in Eastern Europe is the unprecedentedly objective and factual coverage of what the Soviet press calls the Hungarian and Polish "experiments." Thus, readers of the largest Soviet government newspaper, *Izvestia*, have learned of the difficulties in the Hungarian Communist Party and the first free elections in Poland.²⁴

Discussing Former Taboos. Even the question of leaving the Warsaw Pact military alliance is no longer a taboo. Encouraged by a top Soviet aide's statement that "a neutral Hungary would constitute no threat to the Soviet Union," Hungarian officials openly discuss leaving the Pact.²⁵ While visiting The Heritage Foundation in April, for example, a high official in the Foreign Department of the Central Committee of the Hungarian Communist Party

22 *Pravda*, April 19, 1988.

23 *Pravda*, May 31, 1989.

24 See, for example, B. Rodionov, "Politicheskii spektr vengerskoy zhizni" ("The political background of the Hungarian reality"), *Izvestia*, January 18, 1989; and L. Toporkov, "Kakim budut seym i senat?" ("Who will sit in the Sejm and the Senate?"), *Izvestia*, May 15, 1989.

25 *The New York Times*, February 11, 1989.

disclosed that his country's withdrawal from the Warsaw Pact could be a real possibility in five years.

Gorbachev presumably has supported personally some specific reform actions in Poland. Two months after Gorbachev gave what amounted to a strong personal endorsement of Polish leader Wojciech Jaruzelski at the Tenth Congress of the Polish United Workers' (Communist) Party in July 1986, Jaruzelski released all political prisoners in Poland. This was the first step on what seems to have become the road to democratization.

Arms Control: The Second Pillar of Gorbachev's Strategy

Deep cuts in the size of Soviet military forces are an economic, political, and demographic necessity for Moscow. The unprecedented severity of the economic crisis seems to be forcing the new generation of Kremlin leaders to consider seriously jettisoning the past practice of letting no economic crisis interfere with military buildup. The economic crisis is pressuring the Soviet leadership to reduce its bloated defense budget, which is at least three times larger than that of the U.S. relative to the size of the economy.²⁶

Gorbachev apparently expects force reductions to create good will in the West. This, he surely presumes, will bring Western money and technology into the Soviet Union. Reducing the Soviet military presence in Eastern Europe will diminish the pressure on Moscow to respond militarily in case of crisis as fewer Soviet troops will be "trapped" inside. Finally, with the birthrate of the Slavic peoples of the Soviet Union falling below that of Muslims, by 1990 one out of three draft-age men in the Soviet Union will be a Central Asian,²⁷ most of whom do not speak Russian and all of whom dislike the Russians intensely.

Moscow's Price. Gorbachev will certainly want to extract a price from the West for reductions in Soviet armed forces. This price appears to be a dramatically reduced U.S. military presence in Europe, and the complete withdrawal of all U.S. nuclear weapons from Europe. With NATO troop levels drastically reduced, Gorbachev hopes to achieve a long-sought Soviet objective of maintaining a preponderance of conventional forces in a de-nuclearized Europe.

In the Conventional Armed Forces in Europe (CFE) talks in Vienna, Gorbachev seems prepared to make deep cuts in the huge Soviet conventional forces in exchange for substantial U.S. withdrawals from the continent and the reduction of NATO conventional forces. Moscow also has been pressing the U.S. to begin talks on short-range nuclear forces (SNF). The Soviet goal in such talks would be to seek a total ban of such short-range nuclear forces as missiles, artillery shells, and aircraft-delivered bombs.

26 Whereas the U.S. spends about 6 percent of its \$5 trillion GNP on defense, the USSR spends between 18 percent and 25 percent of its \$1.4 trillion GNP on defense.

27 S. Anders Wimbrush, "The Soviet Muslim Borderlands," in Robert Conquest, ed., *The Last Empire, Nationality and the Soviet Future* (Stanford: Hoover Institution Press, 1986), p. 223.

RECOMMENDATIONS

Gorbachev's strategy in Eastern Europe may be called a grand compromise because, like Lenin's treaty of Brest-Litovsk, it is a trade-off between the loss of territory hitherto under Moscow's total control and the long-term survival of the Soviet regime. Gorbachev is distancing Moscow from Eastern Europe probably because the risks and the costs have begun to be detrimental to the long-term Soviet interests as the first post-Stalinist leadership sees them.

Increasing Security, Providing Freedom. While the U.S. and Soviet strategic objectives surely are divergent and even opposed, a gradual Soviet disengagement from Eastern Europe, if properly exploited, has the potential of significantly increasing security for Western Europe and providing greater freedom and independence for Eastern Europe. This, of course, Washington would welcome. The challenge to U.S. diplomacy, therefore, is to maximize Western gains from the Soviet tactical concessions while preventing Moscow from realizing strategic objectives detrimental to Western security and ideals.

By definition, such a challenge cannot be met by a passive and reactive policy. Although the U.S. obviously cannot dictate Moscow's European policy, Washington's behavior is a key factor in shaping that policy. The U.S. could make some options more appealing to Moscow while increasing the cost of others.

In its effort to do this, the U.S. should:

1) Use the Conventional Armed Forces in Europe (CFE) talks to loosen the Soviet grip on Eastern Europe.

Soviet conventional forces in Eastern Europe are both instrument and symbol of Soviet domination. The deeper the cuts in these forces and the stronger the guarantees against their re-introduction, the greater would be the region's independence from Moscow. While Gorbachev undoubtedly will try to use Soviet military disengagement from Eastern Europe to weaken the Western Alliance, a carefully negotiated and adequately verifiable agreement not only would reduce the Soviet military threat to Western Europe, but also significantly diminish Soviet control of Eastern Europe. NATO, of course, should preserve its nuclear deterrent and proceed with the nuclear modernization program.

2) Develop criteria by which a Soviet disengagement from Eastern Europe can be judged.

A yardstick with which Washington could measure the progress of Soviet disengagement should include:

- ◆ ◆ completion of the unilateral Soviet force cuts in Eastern Europe promised by Gorbachev on December 7, 1988;
- ◆ ◆ substantial force cuts under a CFE agreement that effectively would remove the threat of a surprise attack on Western Europe and would be a step toward significant Soviet military disengagement from Eastern Europe.

- ◆ ◆ creation of an independent legislature, judiciary, and free press in Eastern Europe;
- ◆ ◆ legalizing independent political parties in Eastern Europe;
- ◆ ◆ free elections;
- ◆ ◆ allowing the formation of governments by opposition parties;
- ◆ ◆ suspension of restrictions on private economic activity.

3) Develop disincentives for Moscow not to reverse itself in Eastern Europe.

Moscow should be told by Washington that halting or reversing its disengagement from Eastern Europe would trigger Western reprisals. First would be cessation of economic aid to Eastern Europe, thus forcing the USSR to deal with Eastern Europe's economic crisis. Next, depending on the scale of the Soviet offense, could be curtailing U.S.-Soviet scientific and cultural exchanges, suspending U.S.-Soviet financial and trade agreements or – in the case of a Soviet invasion of an East European country – recall of Western ambassadors from Moscow, something that was not done after the 1968 Soviet invasion of Czechoslovakia. Furthermore, Moscow should be told that the West will use all appropriate means to aid the resistance to Soviet occupation forces, as it did in Afghanistan.

To make these disincentives credible, the U.S. should begin consultations with the allies on forging a united Western position.

4) Provide potential incentives for Moscow to continue disengagement.

What Gorbachev surely wants most from Eastern Europe now is stability so that he can proceed with disengagement. Stability and reform in Eastern Europe also are in the U.S. interest. While the U.S. cannot dictate Moscow's policy in the region, as the leader of the Western Alliance, it can deliver the key component of stability – precisely targetted economic assistance to Eastern Europe (excluding the USSR) in exchange for democratization and free market reforms. Disbursed gradually and strictly in accordance with the pace of the Soviet disengagement and domestic reform as defined by the criteria for change, such aid could include food, management training for private entrepreneurs, agricultural equipment, fertilizers, and funds for small banks to finance the private sector.

Normalization of U.S.-Soviet economic relations will provide an additional incentive for the Kremlin. It may include removal of trade barriers by granting the USSR the most favored nation status, while keeping controls on sensitive dual-use technology with potential military applications.

5) Begin direct talks with Moscow to discuss the terms of Soviet disengagement from Eastern Europe.

It long has been the aim of U.S. policy to discuss regional issues directly with the Soviet Union, whether they involve Central America, Southwest and Southeast Asia, or Africa. Similarly, Eastern Europe could be discussed

directly between Moscow and Washington, as Kissinger suggests.²⁸ As with other regional U.S.-Soviet dialogues, dramatic breakthroughs and quick fixes are unlikely. Yet the negotiations may prove useful as a tool for shaping Soviet options in a direction compatible with long-term U.S. interests. Thus the U.S. should communicate to Moscow criteria by which it will judge Soviet disengagement from Eastern Europe and outline incentives and disincentives that Moscow might expect.²⁹ The negotiations also will supply a channel through which the U.S. can provide assurances that it will not seek to exploit the Soviet disengagement militarily. Such assurances, while hardly surprising to the Kremlin, nevertheless may help Gorbachev to continue disengagement in the face of hard-line opposition. The U.S. also may profit from probing Soviet positions and discovering new openings and opportunities along the way.

CONCLUSION

Eastern Europe is a burden that the Soviet Union probably no longer can afford. While only a threat of Soviet military intervention keeps the communist regimes in power in Eastern Europe, such an intervention would spell an end to Gorbachev's reforms at home and his benign image in the West. Furthermore, it costs Moscow from \$11 billion to \$15 billion annually just to keep Eastern Europe afloat, not to mention the additional \$26 billion for maintaining over half a million Soviet troops there.

These reasons, together with broader doctrinal changes in the Soviet world outlook known as "new thinking," appear to have convinced the Soviet Union's leadership that its East European policy must change. In an effort to trim its responsibility for the region's economic well-being and political stability, Moscow appears to be ready to diminish its total control over the region. This is creating the conditions for what may become Gorbachev's grand compromise. For Moscow, it would mean some remnant of influence in Eastern Europe. For Eastern Europe it would mean greater self-determination and broad political and economic reforms.

Challenge to the U.S. The U.S. should respond creatively to the challenge of Gorbachev's grand compromise. The Bush Administration should recognize an historic opportunity that the new Soviet policy presents to the U.S. and its European allies. By adopting an activist policy toward Eastern Europe, the U.S. could diminish the Soviet military threat, liberate the captive nations of Eastern Europe from direct communist rule, and reduce the Soviet political and economic influence in the region.

Washington should encourage Moscow to disengage from the region by discussing with Gorbachev the possible range of U.S. incentives for

28 See for example, "Reversing Yalta," *The Washington Post*, April 16, 1989.

29 See Leon Aron, "Measuring Glasnost and Perestroika," Heritage Foundation *Background Update* 108, August 9, 1989.

continuing reforms in Eastern Europe and the U.S. sanctions that would follow if progress is halted or reversed.

Player in Momentous Changes. To the Soviet disengagement the U.S. must respond by an active re-engagement of its own. Reclaiming Eastern Europe for the West and welcoming it back to the free world have always been among the top priorities of U.S. foreign policy. But unlike any other period since the end of World War II, the U.S. now truly has an opportunity to become a player in the momentous changes that are unfolding.

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