

## **February 1989**

# **Memorandum to Alexander Yakovlev from the Bogomolov Commission (Marina Sylvanskaya)**

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### **Summary:**

Memorandum to Alexander Yakovlev from the Bogomolov Commission (Marina Sylvanskaya) describing the changes in individual Eastern European countries and their impact on the Soviet Union

### **Original Language:**

Russian

### **Contents:**

Translation - English

## CHANGES IN EASTERN EUROPE AND THEIR IMPACT ON THE USSR

Societies in Eastern European countries are beginning to change their character. Attempts to build socialism with Stalinist and neo-Stalinist methods, the spread [tirazhirovaniye] of which occurred in the region under consideration not without the active involvement of the Soviet side, ended up in a stalemate. This situation was expressed in an aggravation of contradictions and a growth of crisis developments. The degree and scale of conflicts vary: from the more or less hidden social-political tension, fraught with sudden explosions, to chronic crisis without any visible ways out, signaling the beginning of disintegration of the social-political system not excluding cataclysms as well. Such processes are irreversible; they are the result of the long-term evolution of the regime, and in a majority of countries they accompany a transition to a new model of socialism but also can lead to a collapse of the socialist idea. In the last year or year and a half the development of events in Eastern Europe has sharply accelerated and has acquired elements of unpredictability.

General characterization of social-political processes in the countries of Eastern Europe

Crisis symptoms are visible in all spheres of public life inside the countries as well as in relations among them.

In the economy the intensity of these symptoms varies from a slowdown of economic growth, a widening social and technological gap with the West, a gradual worsening of shortages in domestic markets and the growth of external debt (GDR, Czechoslovakia, Bulgaria) to a real threat of economic collapse (Yugoslavia, Poland). Particularly dangerous is open and hidden inflation that has become a common phenomenon and only varies by its rate: creeping and galloping inflation is predominant, but one cannot exclude its escalation into hyperinflation (Poland, Yugoslavia). A "shadow economy" and corruption are gaining in strength everywhere and periodically surface in the form of scandals and swindles that carry political connotations.

In the political sphere the crisis manifests itself first of all in the dramatic weakening of the positions of the ruling communist parties, in some cases so dramatic that one can speak about a crisis of confidence in them. Some of these parties undergo an internal crisis: their membership is decreasing since rank-and-file members do not want to bear responsibility for decisions which they could never influence. The old social base is eroding. Infighting in the leadership threatens division (most probably in Yugoslavia; there are obvious symptoms in Hungary, [but] obliterated in Poland and Czechoslovakia). Under pressure from multiplying and intensifying alternative political structures (the embryos of new parties, clubs, and movements) the HSWP [Hungarian Socialist Worker's Party] and PUWP [Polish United Workers' Party] have become so weak that they have to share power and accept a coalition form of government, [have to] agree to a transition to a genuine multi-party system, and to the legalization of dissenting opposition forces. In somewhat other forms this occurs in the UJC [League of Yugoslav Communists]. Alternative forces are developing an international character. Conservatives are acquiring international contacts (for instance, in GDR, -SSR [Czechoslovakia], SRR [Socialist Republic of Romania]).

The sphere of ideology is very much affected. Its old forms block the renewal of the social system or provide a rationale for resistance to reform (GDR, Romania, Czechoslovakia). Strongly dogmatic social sciences are incapable of working out a convincing ideological rationale for long-needed reforms. In the public consciousness—particularly among the youth—apathy, hopelessness, [a] nostalgia for pre-Revolutionary (i.e. pre-World War II and even earlier) times, [and] a lack of faith in the potential of socialism are spreading. Extreme manifestations of these sentiments can be seen in increasing emigration (Poland, Yugoslavia, Hungary, GDR,

Czechoslovakia, Romania). The positions of individual social groups are becoming dangerously radicalized; there is a growing trend towards anarchy and violence (Poland, Hungary, GDR, Czechoslovakia, Yugoslavia). The spread of video equipment, satellite broadcasting, and personal computers with printers is bringing about the explosion of an independent culture (Poland, Hungary, Czechoslovakia).

A degradation of common ties is taking place in various forms. Interest in present forms of integration is visibly weakening as well as hopes to substantially increase its effectiveness through direct ties and cooperation in technology. Due to profound structural problems and flaws in the mechanism of trade cooperation, bilateral trade with the USSR is decreasing, which produces very negative consequences for the national economies of our partners and creates additional obstacles in the path of economic reforms (underutilized capacities in most countries [and] clearing [kliringovye] inflation). In some cases inter-ethnic relations have grown worse: the Hungarian-Romanian conflict became open; mutual antipathy between Germans and Poles, Poles and Czechs, Czechs, Slovaks and Hungarians has increased.

The countries can be divided into two groups by the degree to which they display crisis tendencies.

In Poland, Hungary, and Yugoslavia crisis processes are developing intensely and openly: having broken to the surface once they have acquired a certain inertia. The acuteness of the social-political situation in these countries stems first of all from the mass scale of workers' protests<sup>7</sup>. "A new workers movement" is being born. Its scope is such that it is impossible any longer to treat the strikes as sporadic excesses any longer or, as was the case of Poland, to write them off as the influence of anti-socialist forces inside the country and abroad. The strikes are obviously escalating into an ongoing social conflict between the workers and the party and state techno-bureaucracy. Rank-and-file communists often actively take the side of strikers. The trade union movements are getting rapidly politicized (some symptoms of this latter process can also be observed in Bulgaria and Czechoslovakia). Official trade unions are beginning to play the role of a legal opposition; independent trade unions are proliferating; trade union pluralism is taking root.

In all three countries living standards of very substantial parts of the population are falling,<sup>8</sup> their incomes are shrinking to the social minimum and even further. Simultaneously differentiation in income is becoming more pronounced, and a black market organization is emerging.

Public consciousness is coming to realize processes heretofore hidden from it, such as the fact of the continuing exploitation of wage labor. Some leaders of the UJC have publicly admitted the existence of the struggle for the redistribution of added value produced by workers, and their exploitation (in particular, through inflation). A discussion about specific forms of exploitation has begun in Poland.

The public consciousness of the working class and other working people is increasingly being formed [by forces and factors] outside of the ruling communist parties. The pressure "from below" plays an ambiguous role: by pushing the leadership toward reforms, it simultaneously curbs and even sometimes blocks attempts to revitalize the economy, to modernize the structure of public production at the expense of income growth and a reduction of living standards. When an ongoing crisis erupts from time to time ("crisis inside crisis") without getting a peaceful and constructive resolution, problematic and even deadlock-type situations emerge as a result. The probability of social explosions is increasing.

The social-class nature of the ruling parties that are undertaking the turn toward radical reforms is in question now, since it is very problematic that they will be able to rely on the entire working class, particularly on its largest groups employed in the

coal industry, metallurgy, ship-building, and other traditional industries which are undergoing a crisis in the whole world. Besides, it is well known that Marxist-Leninist parties traditionally see their historic mission first of all in expressing the interests of workers as the most progressive class whose interests objectively coincide with the interests of the workers. In contemporary conditions this understanding has increasingly complicated taking practical steps towards the revitalization and modernization of the economy, since the short-term material interests of the working class (or at least a substantial part of it-workers employed in physical labor) clash with longer-term interests of society as a whole: a change of the structure of public production in accordance with the requirements of the scientific and technical revolution [NTR] requires a unique "secondary accumulation at the expense of internal sources, that is, a temporary self-limitation in the area of consumption." The governments of Poland and Hungary are seeking to accelerate the changes in the structures of public production by carrying out the policy of "socialist Thatcherism." Since such a policy hurts substantial segments of the working class and moreover lacks convincing ideological justification, the workers, including rank-and-file party members, rise in protest, quoting previous ideological formulas.

The ruling parties are chronically and badly late in [providing the] necessary reaction to the course of social-political developments. None of them has so far proved to be capable of seizing the initiative. Apparently this is due to the lack of clear prospects for renewal [and] there is a lack of a contemporary socialist vision. So far this problem has been alleviated because of the absence of constructive alternative programs. But today the opposition has most obviously been attracting the intellectual potential of the countries (Poland, Hungary), and has been developing its own ideology and policy.

The developing situations in Yugoslavia, Hungary, and Poland touch on geopolitical and geostrategic interests of the Soviet Union to varying degrees. Whatever the outcome of the Yugoslav crisis, it would only marginally affect our society, without any serious direct ideological effect. On the other hand, the course of events in Hungary and especially in Poland will affect us directly and very painfully by buttressing the position of [our] conservative forces and breeding doubts on the chances of the survival of perestroika.

In Czechoslovakia, GDR, Bulgaria and Romania (all the differences in economic position notwithstanding) analogous internal social-political conflicts are still implicit, even though they have not yet manifest themselves distinctly, nevertheless they have for now a hidden [latent] character. They tend, however, to worsen, and there are telling symptoms that demonstrate [to political scientists] real harbingers of tension:

- Under-fulfillment of excessively optimistic plans and programs (particularly regarding consumption), unexpected growth of inflation, declining indicators of living standards, proliferation of uncontrollable spontaneous processes in the economy.
- Growing dissatisfaction with the existing situation in the sphere of distribution of material goods and with equality of opportunity, aggravation of the problem of social justice.
- Intensifying discussions at party forums, more frequent resignations of politicians, reshuffling of personnel.
- Fermentation in the intelligentsia, particularly in its creative components.
- Exacerbation of the generational conflict.

- A moral crisis, proliferation of social pathologies (crime, drug addiction, etc.).

- Accumulating feelings of social frustration [obdelennost'] (deprivation) in large social groups, spilling over into "witch hunts," sometimes into aggressive ethnic conflicts, anti-worker, or on the contrary, anti-intellectual sentiments.

These symptoms are manifesting themselves in various combinations and in varying force. Social-political conflicts remain hidden largely due to harsh controls exercised by repressive structures over public life and to strict limitations on the mass media<sup>9</sup>. But in some cases [these factors] are no longer sufficient to prevent acts of protest (in Czechoslovakia, GDR, and even Romania). Further tightening of the controls and persecutions can either trigger an uncontrollable chain reaction-all the way to an explosion (it is quite possible in Czechoslovakia)-or encounter a negative reaction of world public opinion and the introduction of very painful economic and political sanctions. For instance, the repressive totalitarian regime in Romania is increasingly finding itself in international isolation, and amicable contacts with N. Ceausescu, while promising no advantages in relations with the SRR today [and] even less in the longer term, can only compromise politicians [who engage in such contacts] in the eyes of world public opinion.

#### Forecast of Developments in the Situation

In the countries of the first group the crisis has acquired visible forms and the sides in the conflict are lined up, but the prospect of further developments is not clear; there are several alternatives. There are none among them that would presuppose the preservation of traditional forms of governance by the ruling parties and their full control over society. Despite all assurances and words, real chances to keep developments in the framework of socialist renewal are shrinking. The existing model of socialism can be transformed only with enormous difficulty into a more effective and modern social structure. There are serious obstacles to a resolution of the crisis situation with the fewest losses. Furthermore, deadlock and catastrophic scenarios are coming to the fore.

#### Poland

1. Most favorable scenario: The conclusion of a so-called anti-crisis pact at "roundtable" talks, which could mean an unstable compromise between the PUWP (and its allied parties), Solidarity (and the forces of the opposition intelligentsia) and the official trade unions (VSPS). [There should be a] gradual transition to a mixed economy, de-centralization, and privatization of "the giants of postwar industrialization" using shareholding capital and a transition to one or another version of a market economy. Movement towards genuine party-political pluralism (free elections, redistribution of seats in the Parliament, bringing representatives of the present opposition into the government, [giving them] access to mass media) could increase the support on the part of the population of the country and the West. The latter could ameliorate the situation with payment of the external debt [and] opening channels for new credits, which could somewhat reduce internal economic tension. However, even in this case workers' protests would hardly be neutralized, therefore political instability would continue for a long time, periodically producing micro-crises. This would complicate the decisive and energetic program of reforms. The weakening of the PUWP would inevitably continue as a result of the ideological crisis and internal struggle, but it would take a more gradual course, in a form which could permit an explosion to be avoided. Relations with the USSR would remain ideologized while Poland would remain a member of the Warsaw Pact.

Conditions for realization: preservation and consolidation of the authority of the present party-state leadership (W. Jaruzelski); containment of the pressure "from below" in a framework that would preclude radicalization of both trade union confederations.

2. Pessimistic scenario: Failure of the anti-crisis pact resulting from a clash between the conservative forces in the PUWP, radicalized VSPS and the extremist wing of Solidarity, while minimal political contacts between the party-government leadership and the opposition survive. A protracted "deadlock" situation. Slow and ineffective changes in the economy, de facto pluralism in society without effective mechanisms of making and implementing decisions. Growing elements of spontaneity [and] anarchy. Transformation of Poland into a chronic "sick man of Europe."

3. Deadlock scenario: Failure of the anti-crisis pact with an aggravation of relations with the opposition. Rapid escalation of the conflict to an explosion (the most probable time in this case - the spring of 1989). Renewal of martial law or a situation approximating a civil war - "Afghanistan in the middle of Europe."

4. Recently, the first weak symptoms of yet another scenario have emerged. It is close to the first but is related to the formation of a Christian Democratic Party of Labor which, hypothetically, may grow into a big political force if supported by Solidarity (in a role of a Catholic trade union) and the oppositionist Catholic intelligentsia. The PUWP would probably welcome such a scenario since it could promise cooperation with the Church which seeks to avoid an explosion. Yet the paucity of information provides no clues as to the change of the position of the Church which has so far preferred to stay in the role of arbiter [treteyskiy sud'ya].

This last month produced good chances for development of events according to the first scenario. There is no absolute guarantee that it will be realized, since there are no assurances that the traditionalist forces would not dispute the policy [kurs] of the 10th Plenum of the CC PUWP at the forthcoming party conference, and that Solidarity would and could contain the rising mass protest and observe the two-year armistice. The specific conditions of Poland do not exclude the first and especially the second scenarios sliding back into a deadlock. The chance for an explosion in Poland is far greater than in other countries of Eastern Europe.

In a longer-term perspective even the most favorable scenario does not ensure preservation of the socialist choice. An evolution towards a classic bourgeois society of the type of Italy or Greece is highly likely.

## Hungary 10

1. Most Probable Scenario: Radical reforms in the state sector of the economy, partial privatization of industries and agriculture, transformation of the economy into a mixed one, functioning on the basis of market relations. Further strengthening of organizational ties with the European Economic Community [EEC] and perhaps with the European Free Trade Association [EFTA], growing cooperation with Austria. Step-by-step rebuilding of the parliamentary system on the foundations of party pluralism. Along with the inevitable decline of cooperation with COMECON and formal continuation of membership in the Warsaw Pact, there will come a strengthening tendency towards neutralism and possibly a movement towards some kind of Danube Federation if this idea takes shape and gains support among Hungary's neighbors.

Conditions for realization: the Hungarian Socialist Workers Party, as a result of considerable strengthening of positions of its reformist wing in its leadership and in the party as a whole, seizes the initiative in transformation of the social-economic and political structures; gradual formation of a coalition with the Social Democratic movement (not excluding the transition of a considerable number of the party members to the Social Democrats or the peaceful split into two parties). Even if the influence of other parties increases in the short run, the course of events will probably become a modification of the first scenario, since none of the movements can compete in strength and influence with the reformist circles of the HSWP and the forces of Social Democratic orientation.

2. Pessimistic scenario: Concessions to the conservative wing of the party which

retains strong positions in the middle and lower ranks. Attempts to minimize deviations from the traditional scheme. Inconsistency and compromises in carrying out reforms. The growth of economic and political tension. Further decline of living standards, the growth of a strike movement, politicization of trade unions. Possible declaration of inability to pay the external debt, aggravated relations with creditors, including international monetary and financial institutions. Creation of obstacles on the path to the legal constitution of some oppositionist parties and movements. Postponement of parliamentary elections. Further fall of authority of the reformist wing in the present leadership of the HSWP and of the supporting forces in the party and government apparatus. Weakening electoral chances of the HSWP (even as far as electoral defeat). Transition of initiative to alternative political forces. As a result, a return to the necessity of radical reforms, but under new, economically and politically less propitious circumstances.

3. Deadlock scenario: Collision of extremist forces: the conservative, dogmatic, and lumpen proletariat, gravitating toward opposition. Anarchy, terror. Establishment of a harsh regime, introduction of a state of emergency.

The first scenario would provide Hungary with the financial and economic support of the West in a scale sufficient to escape the crisis without a social cataclysm. The next development would signify an evolution of the social structure in the direction of the socialist ideal, but in a form which Social Democrats imagine it (chiefly the Austrian [Social Democrats]).

The possibility of development along the first scenario is still not excluded, but more probable is a middle path between the first and the second. An unavoidable complication in this case could direct events to a channel of the first scenario or increase the probability of a complete switch to the second.

The third is the least probable, but it is impossible to completely exclude it. A catastrophic development of events unintentionally provoked, for example, the introduction of public security forces into some domestic conflict, is even unimportant and marginal. This scenario is most quickly possible not as the result of an intentional confrontation after political pluralism is formalized but as a consequence of a spontaneous development of events that got out of control.

## Yugoslavia

1. The Most Favorable Scenario: The realization of the new economic strategy of the UJC: formation of an open economic system, creation within the framework of the Federation as a whole of an "internal market", encompassing goods, services, capital, [and] the labor force, serving to remove internal barriers to the path of the free circulation of the principal factors of production. Support of more or less close organizational contacts with the "Common Market."

Conditions for realization: receiving credits from the West, support for reforms by broad sectors of the population, [and] political unity of the public. Development along this path would ensure an escape from the crisis, but the results which it would bring are described in Yugoslavia in different ways, namely:

- a unique post-capitalist society, preserving a system of self-management;

- a recapitalization, that is, the transformation of the present system into another, where mixed, private, and foreign-ownership predominates and market logic operates. In this case the population could in time attain a high level of living conditions and partial social security in the same measure that a highly-developed capitalist society provides it.

2. Pessimistic scenario: Reform reaches a certain level then begins to go into reverse. If in the next 2-3 years it does not manage to overcome the obstruction on the part of

the conservative dogmatists and everything boils down to the next compromise the opportunity will be maintained for a choice between the first and third scenarios; the chances of the first will fall and of the third will grow.

3. Deadlock scenario: Adherents of preserving the status quo at any price, supported by the army and state security organs try to create a "Titoist Stalinism", that is, a "firm hand" regime, a dictatorship.

A weakening of the position of the UJC is unavoidable in any case, but in the first scenario it would be the least. Whether pluralism will take final party and political forms is not yet completely clear.

The first scenario at the present time is not likely because of a lack of political unity in society [and] serious ideological and national differences. It will not receive the necessary support from the political governing elite and will hardly win a majority of workers to its side. A post-capitalist society with elements of Yugoslav self-management evidently is as illusory as the system itself.

For now the most probable is apparently the second scenario, for the reforms will be made by the professional management level which has been in power for 40 years and developed the mechanisms of self-management and uses them successfully. Thereby the opportunity is preserved both for the first and the third scenarios.

Preconditions for the third scenario recently show up all the more distinctly: in the political arena a potential dictator [Slobodan Milosevic] arises [and] all the more often the army begins to declare its support for him.

The first scenario's implementation is not yet out of question, but the most probable seems to be some kind of middle way between the first and the second scenarios. Inevitable aggravation of the internal situation in this case may propel events towards the first scenario or raise the chances of complete slide-back towards the second scenario. [...]

In a long-term perspective the present situation in the countries of the second group appears to be more dangerous for the fate of socialism, and crisis phenomena there will inevitably move from hidden to open form. Czechoslovakia is the first candidate. In Bulgaria and Romania (probably, also in the GDR) changes will come with a change of leaders which will occur from natural causes. The character and tempo of subsequent events will depend on the degree to which the new generation of leadership, willing to defuse the accumulated tension and raise personal prestige, comes to relax the grip of the repressive apparatus over society. Much depends on the character and rate of the future development of events. The available data provides no evidence for a substantive forecast of alternatives, but it seems to be obvious that the more the tension is driven inside, the higher the chances for an explosion in one of these countries, with all the ensuing consequences.

## Czechoslovakia

With high degree of probability one can expect rapid escalation as soon as this coming spring or in the fall. Causes: combination of strong public discontent with an unjustifiably harsh crackdown on recent demonstrations,<sup>10</sup> with the first unpopular results of economic reforms (absence of bonuses in many unprofitable enterprises, etc.). Preventing such a course of events is possible by undertaking, at M. Jakeš's initiative, a decisive replacement of a considerable part of the current party-government leadership, removal of all publicly compromised people, joining efforts with L. [Czechoslovak Prime Minister Ladislav] Adamec and a beginning of practical steps towards socialist renewal and broad democratization. However, since, first, the General Secretary of the CC CPCZ has already twice failed to live up to public expectations and to declare himself an advocate of a new course,<sup>11</sup> and, second, there is too little time left<sup>12</sup> for preparation of such a step, the chances for such a favorable outcome are minimal. Extrapolation of the current situation points to a crisis, during which order would be restored by force and all problems would again be driven inside.



In the course of further events one may expect a consolidation in the political arena of the country of the positions of a new political force-the Club of Socialist perestroika, headed by well-known leaders of the "Prague Spring" C. Cisar and -ernik who adhere to socialist positions. This group has a solid constructive platform and can expect an influx of a large number of supporters: possibly up to 500-750 thousand. In a struggle with this political adversary, the leadership of the CPCz has minimal chances for a victory. However, the struggle against the politicians and ideas of 1968 will be acute and will lead to a quick and sharp escalation of the crisis.

## Romania

1. Favorable scenario: Changes take place in the leadership of the country. As a result, N. Ceau<sup>o</sup>escu is replaced by reasonable politicians capable of understanding and putting into practice the ideas of radical reforms and a renewal of socialism. There are favorable preconditions in Romania for the use of market relations, a relatively dynamic restructuring, and modernization of the economy with a real liberation of economic initiative and the creation of a multi-sector competitive economy.

2. Middle-deadlock scenario: The present leadership of the country or continuity of policy remains. If the resources that are freed as the external debt gets paid off are used to reduce social tension, then it is possible to maintain general political stability for quite a while, while maintaining the political problems of the country and its further lagging behind in scientific and technical progress. If, however, the leadership chooses to ignore the task of improving the living standards of the population and diverts the liberated resources for the realization of new ambitious projects, then one cannot exclude a social explosion. In case the processes of renewal in other socialist countries by that time have not proven the feasibility of the policy of reform, there could be the danger of a decisive shift of the country in the direction of the West (including its exit from the Warsaw Pact) [as the] population has become disenchanted with socialist values and was traditionally brought up in the spirit of community with the Latin [romanskiy] world. Financial and material support from the West, highly probable if there are real changes, may prove to be very effective for a country possessing a good deal of natural and economic resources.

Since the regime still has not exhausted its resources and has recently been accumulating the experience of combined repressive measures and social maneuvering to maintain social stability, the second scenario seems to be more likely. In its favor is a relatively low level of national self-consciousness and the absence of organized opposition in Romania. At the same time, an obvious irrationality of the policy of the current leadership produces growing dissatisfaction not only on the grass-roots level, but even among the ruling elite [verkhushka]. Therefore, a possibility of some kind of changes "from the top" cannot be excluded.

## German Democratic Republic

The conservative nature of the party leadership, the sectarian and dogmatic character of its positions on ideological questions, authoritarianism and harsh control of the repressive apparatus over the society are weakening the authority of the party and heightening tensions in the country, as well as negativist sentiments among the population. Nevertheless the current policy may survive a change of the leadership for some time.

There is no formal center of opposition in the GDR, although non-conformist movements with more or less formalized platforms do exist. So far they do not represent any force capable of applying a palpable pressure from below or to destabilize the situation. With a degree of probability one can surmise that there are forces in the current ruling apparatus who not only can evaluate the situation soberly

and analyze critically, but who can work out a constructive program of changes. Reformist sentiments most likely do not come to the surface because potential advocates of a new course do not have sufficient assurances that the process of renewal in the USSR is irreversible. Besides they understand that deep reforms in the GDR will hardly remain an internal affair and may trigger a change in the status quo in the center of Europe.

With this in mind, a perestroika in the GDR, if it occurs, will require from the USSR and other socialist countries a reevaluation of a number of established positions and perhaps a reappraisal of its interests in the center of Europe. Under conditions of democratization and glasnost' this question will probably become the central one and its resolution will depend on the determination of the [GDR] leadership in carrying out reforms. In the long run one can foresee the proclamation of such goals as the creation of a unified neutral German state on the basis of confederation. An intermediate slogan "one state-two systems" may be also advanced.

## Bulgaria

Latent ferment and differentiation of social-political forces are present. So far they manifest themselves in local, impulsive outbreaks of resistance to official ideology and the concept of social development, without growing into any significant movements. Further behavior [dinamika] and the directions of social-political shifts will be determined primarily by economic trends.

The leadership of the country has worked out a concept of economic reform, but practical measures for its realization have not yet been sufficiently prepared, so real results ought not be expected in the immediate future. More likely is a deterioration of the economic situation, particularly because of growing indebtedness to the West and the threat of an inability to pay, which would inevitably bring about unwanted social, and then political consequences. Against this background, hotbeds of tensions might proliferate, including strikes, particularly among unskilled and low-skilled workers.

The ideological influence of the party on the society is declining. A mood of opposition is intensifying among intellectuals who resent the use of force against ecologists and the persecution of a number of scientists for critical speeches. There are seeds of alternative movements and extremist elements are becoming more active. Alternative political forces are still weak and not organized, but they can broaden their social base.

Withdrawal from the political scene of the present number one in the Party may provide an impetus for intra-party differentiation between the supporters of the old leadership and those who seek a genuine renewal. Forces capable of carrying out more balanced and reasonable policy do exist in the party, they enjoy enough authority, but they will face a difficult legacy.

The overall trend of social-economic and political development of the country tends toward the Hungarian scenario with certain differences, time disparities, national specifics and an eclectic stratification of experience of other countries. The fate of the latter [Hungarian] experiment may exercise a serious influence on future developments in Bulgaria.

## Possible consequences for the USSR

The prospect of the weakening of the positions of the ruling parties including their removal from power, its transfer into the hands of other political forces, decline of Soviet influence on the countries of Eastern Europe, [and] drawing them into the orbit

of economic and political interests of the West require the formulation of the most rational and reasonable reaction of the Soviet Union. We face a choice: to thwart the evolution described above or take it in stride and develop a policy accepting the probability and even inevitability of this process.

Attempts to thwart the emerging trends would be tantamount to fighting time itself, the objective course of history. In the long term these kind of steps would be doomed and in the short run would mean wasting means and resources for an obviously hopeless cause. Attempts to preserve the status quo in Poland, Hungary, and Yugoslavia, which has lost its objective foundations, as well as the support of conservative forces in the GDR, Czechoslovakia, Romania, and Bulgaria will lay an excessive burden on our economy, for the price of maintaining existing relations will increase in time. The use of forceful pressure on our part will inevitably reinforce the conservative wing in the upper echelons of power, slowing reforms where they have begun, [and] worsening the crisis. Social-political tension in the societies will increase, anti-Soviet sentiments will grow stronger, which might spill over into balancing on the brink of a very acute social-political conflict with an unforeseeable outcome. The direct forceful intervention of the USSR into the course of events on behalf of the conservative forces that are alienated from the people, most evidently signify the end of perestroika, the crumbling of trust of the world community in us, but will not prevent a disintegration of the social-economic and social-political systems in these countries, will not exclude mass outbreaks of protest, including armed clashes. In this, not only nationally isolated events, but mutually interacting, "detonating" explosions can be expected.

In the framework of possibilities opened by new thinking and cooperation between the USSR and the United States, East and West, "architects" of American foreign policy can be seen as changing their priorities. They prefer the support of perestroika in the USSR and the creation of an external environment favorable to its success. Serious Western politicians warn against playing on problems of the socialist community [or] its disintegration which, in their opinion, can bring about unforeseeable consequences for the Western world. Responsible Western circles are coming to the conclusion that by cooperating with reformist forces they can achieve more than by attempting to pull individual socialist countries from the sphere of influence of the USSR.

Working through [the options for] a future Western strategy towards Eastern Europe, bourgeois political scientists and some think tanks consider a scenario of "Finlandization" of a number of countries of the region.<sup>13</sup>

What could be the possible consequences of such a scenario for the USSR? The following aspects should be considered: military, international political, internal political, economic, and ideological.

1. Poland will certainly not leave the Warsaw Pact, since this is against its national, state, and geopolitical interests. Hungary will also hardly raise this issue in the foreseeable future. The forthcoming withdrawal of a part of the Soviet troops stationed on the territories of both countries will significantly reduce the political acuteness of this problem. The GDR will also not raise the question of leaving the Warsaw Pact, since its party and state cadres consider this organization as one of its mainstays. Only in the distant future, if détente and the construction of a "common European home" progresses sufficiently far, might the issue of a unified German confederate state be put on the agenda. From the international angle this will most likely end up with the neutralization of both parts of Germany and the establishment of special relations of the FRG with NATO and the GDR with the Warsaw Pact. The positions of Bulgaria and Czechoslovakia depend on many uncertain factors, but they will hardly leave the Warsaw Pact in the foreseeable future. If relations with us worsen, the Romanian leadership may take up this issue, but with skillful ideological orchestration of this step we will not really lose anything since geopolitical location

will force self-isolated Romania to consider our interests. In the case of Yugoslavia, as it is well-known, the question of the Warsaw Pact does not figure at all.

So it is not necessary that the Warsaw Pact—at least in the foreseeable future—sustain significant losses, and the countries of Eastern Europe which are undergoing today serious transformations will stay in alliance with us.

2. As long as new foreign policy trends emerge in these countries of Eastern Europe with which the US and the West associated the special hopes of their differentiated policy, the new foreign policy tendencies taking shape [in] the USSR can consciously seize the initiative from the West, as well as from the oppositionist, social-reformist forces inside these countries (Poland, Hungary) by consciously adopting a certain degree of "Finlandization" of these countries. Such a policy will demonstrate the seriousness of our global aims to get involved in world economic, political, and cultural relations. Renunciation of the diktat with regard to socialist countries of Eastern Europe will nurture a more benevolent image of the USSR in the public opinion of these countries and around the world, and it will make the US seriously correct its foreign policy towards Eastern Europe.

The very chance that European socialist countries may take an intermediary position on the continent will intensify the interest of Western Europe both in the maintenance of economic and political stability of Eastern Europe, and in the stimulation of the process of disarmament and détente on the continent and around the world. Inevitable consequences of this will be the growth of the independence and significance of the European factor in world politics and economics, which will help the efforts of the Soviet Union aimed at containing an anti-Soviet consolidation of the Western world and at developing a "common European home." The economic burden of the USSR will be alleviated. Anti-Soviet and nationalist influences will operate on the shrunken ground, and the authority of the Soviet Union and its ideological-political influence on the broad strata of the population will grow—of course, if the political shift is viewed as a result of our conscious decision and not a result of the pressure of hostile forces. This will be a "revolution from above" in foreign policy which will prevent a "revolution from below."

3. It cannot be excluded that in some countries of Eastern Europe the crisis has gone so far and reforms have come so late that the ruling parties will not be able to retain power or will have to share it in a coalition with other political forces. By itself the fact of a transfer of power to alternative forces does not mean an external and military threat to our country. On the contrary, history gives examples when the Soviet Union developed relations with the non-communist leadership of Eastern European countries that were not too bad. The normal political activity of communist parties (as one of several political parties) should not instill fear in non-communist governments that, under the guise of international aid there will be a violation of popular sovereignty with a possible violation of its wishes expressed through free elections. Guarantees of non-interference in the internal affairs of neighboring countries [and] respect for their political stability should be seen under present circumstances differently than in 1950s-1970s, for we ourselves have recognized the need for a different understanding of socialism in principle, have stopped trying to expand over the entire world the model that existed in our country, [and] we have begun to realize the need for accounting in the socialist model for some basic characteristics of the Western mode of development (market, competition, civil society, civil liberties, etc.). There is no question, of course, of renouncing the support of communist and workers' parties, but an obligatory precondition for such a support should be voluntary recognition of their leadership by their people, their legitimation. They should pay as any other party in a normal democratic society for the loss of trust. The same logic dictates to us the need for the support of business, civilized contacts not only with those political parties in the countries of Eastern Europe which are currently at the helm, but also with the internal opposition, constructive opposition in society—the same as our practice is toward non-socialist states. Unwillingness to accept contacts with alternative forces in these countries could be interpreted as a form of interference into internal affairs, i.e. something which we have rejected as a matter of principle.

4. The objective outcome of the natural development of the trend towards "Finlandization" could be a new, middle-of-the road position of the East European states, since they, according to their internal order, the nature of economic ties and real international position would pass from the sphere of monopolistic influence of the USSR into the sphere of mutual and joint influence of the Soviet Union and European "Common Market." It is not excluded that in the foreseeable future the European Economic Union will provide the status of an associate member to some countries of Eastern Europe. They could in this case become the first trailblazers in the process of integration between East and West. This process not only poses no threat to the interests of the USSR, but, on the contrary, will allow [us] to multiply the benefits we receive today from our cooperation with Finland and Austria by linking with Western markets, the achievements of Western science, equipment, and technology. When a common market starts functioning in Western Europe in 1992, East European countries drawn into the orbit of the EU may facilitate access to this sphere for us.

5. In a new situation we will have to liberate ourselves from some persistent ideological stereotypes, for instance from the assumption that only a communist party in power can provide guarantees for the security of Soviet borders. We will have to rethink the notion of a "world socialist system." But the utility of these [notions] was purely fictional; it existed only in a realm divorced from reality [zhizn'], in the didactic ideology which we have been striving to overcome. Consequently, the rejection of such categories and dogmas may only promote a new system of ideological coordinates that are emerging in the process of perestroika and the formation of a new political thinking.

An optimal reaction of the USSR to the evolutionary processes taking place in Eastern Europe would be, as it turns out, an active involvement which would put them [the processes] under control and would make them predictable. Even if some decline of Soviet influence in Eastern European affairs takes place, this would not cause us fatal damage, but, perhaps on the contrary, resulting from self-limitation, would put our goals in a rational harmony with our capabilities. For we speak about a voluntary abandonment of only those levers of influence that are incompatible with the principles of international relations proclaimed by the Soviet Union in the spirit of "new thinking."

Of course, such a turn of events may produce collisions and conflicts, for instance if openly anti-Soviet, nationalistic groupings get legalized in this or that country. But their persecution and keeping [them] in the underground will only help them gain in popularity, but [their] surfacing, against the backdrop of our restrained policy and with thoughtful criticism of them from friends of the USSR will lay bare the lack of perspective and short-sightedness of anti-Soviet assumptions.

Favorable international conditions for the progress of reforms in the socialist countries of Eastern Europe will give a powerful side effect to the process of internal perestroika in the USSR. Structural modernization of their economies [and] the development of market relations will help to overcome the elements of parasitism in their economic relations with the USSR and to transfer them onto the healthy ground of mutual profitability.

Possible practical steps of the USSR

In the light of the aforementioned, the following measures seem to be advisable:

- Working out a strategic program to develop our relations with East European socialist countries in the framework of a new model of socialism and a proportional reflection of this program in official documents and speeches.

- Advancement of our proposals to reform the Warsaw Treaty Organization, stipulating a larger role for the fraternal countries in the leadership of the Warsaw Pact, creation of regional commands (the example of NATO) under the leadership of representatives of the appropriate countries. This would help to "tie" them into the

Warsaw Pact, which in practice is still regarded as a predominantly Soviet formation.

- A further gradual reduction of our military presence in Eastern Europe taken at our own initiative and by agreement with the host countries, working out a schedule for the withdrawal of troops, the creation of the most propitious conditions for demilitarization of Central Europe (and its possible neutralization), [and] reduction of American presence on the European continent.

- Development of bilateral consultations on mutually beneficial measures permitting an alleviation of the consequences of restructuring in the countries of Eastern Europe, particularly where strong tensions might lead to an upheaval.

- In case appropriate proposals are made, we should agree to some form of continuous and periodic consultations with West European countries and the US on the issues of prevention of upheavals in one or another country of Central and Eastern Europe.

- Introducing the practice of genuine consultation on the issues of foreign policy with our allies instead of informing them about decisions that have already been adopted.

- Carrying out a serious analysis of the activities of Soviet embassies in Eastern European socialist countries, in some cases leading to replacement of ambassadors and leading officials of the embassies who act against the interests of our foreign policy in its new phase. Special attention should be paid to our cadres in the countries where potential escalation of tension and even upheaval is possible. During the replacement of cadres we should send to these countries those officials whose appointment will be taken as a sign of the attention [and] high priority the USSR has for relations with socialist countries.

- When arranging summits in socialist countries, one should borrow the methods utilized in leading capitalist countries (organization of "assault landings" [desanty] of leading Soviet scientists, cultural figures, etc.).

- It is necessary to work out without delay an integrated line of conduct on the issues of "blank pages" in relations with each East European country (We should not ignore the existing negative consequences that resulted from our postponement of the resolution of these problems with regard to Poland and Hungary).

- It is highly important to radically change our information policy with regard to events in socialist countries of Eastern Europe, to cover events in an objective light and to explain the processes that are taking place there, since it is equivalent to the explanation and justification of measures that lay ahead for us in carrying out our economic and political reforms.

- While covering events in fraternal countries, responding to the speeches of their leaders, we should express a manifest support to those pronouncements which signal their acceptance of reformist ideas (particularly with regard to the leaders of the GDR, Czechoslovakia, Bulgaria and Romania), thereby leading [them] to understand with which forces and trends the sympathies of the Soviet Union lie.

- Any initiatives associated with the popularization of Soviet publications merits support. Proposals of our embassies in some countries to decline such support are clearly in contradiction with our interests.

Some conclusions

Overcoming the crisis process in the countries of Eastern Europe presupposes outright de-Stalinization. This should encompass both their internal life as well as their relations with the Soviet Union. The model of economic and political development imposed on these countries after 1948 has clearly exhausted its capabilities. The search for more auspicious ways and means of development is leading to the rethinking of the socialist ideal, including the revival of those assumptions which had formed in communist and workers' parties of East European countries in 1945-1948 (mixed economy, parliamentary democracy, etc.). This means a return to a natural historical social progress that stems from national specifics of each country, instead of [one] deformed by external pressure. To a certain degree one can speak about the end of the postwar era, a partial overcoming [preodoleniye] of the Yalta legacy and the split of the world into two hostile camps, [and] about the gradual formation of a more varied and simultaneously more united Europe.

From the viewpoint of the world socialist perspective any attempt to stop this evolution by force could have the gravest consequences: the inevitable sliding back of Eastern European countries to the rank of poorly-developed countries (the so-called "fourth world"), the undercutting of the socialist idea in all its versions, including providing neo-conservatism in the West with new cards to attack social achievements of the workers. Besides, Eastern Europe will inevitably get "flashpoints" and paradiatorial [paradiktatorskiye] regimes which would continuously draw off the material resources of the Soviet Union and would practically exclude the prospect of renewal of socialist society in our country. However, the peaceful (without serious upheavals) evolution of East European states would improve to a great extent the situation in the world and broaden international relations. Chances would thereby grow for an accelerated development in Eastern Europe, the use of certain socialist elements that can be found in practice in highly-developed capitalist countries and, as a whole, the prospect of the formation of humanistic and democratic post-capitalist societies in accordance with the socialist ideals would be preserved.

[Source: Donation of Professor Jacques Levesque; copy on file at the National Security Archive. Translated by Vladislav Zubok and Gary Goldberg.]

7 In recent years in Yugoslavia the strike movement has grown like an avalanche: in 1982 there were 174 strikes with 11,000 participants, in 1988 about 2,000 strikes with 360,000 participants. Strikes have become more prolonged [and] workers are changing from purely economic protest to political [protest]. At the end of last year the population of a number of republics and autonomous districts went out into the streets en masse. Recently the question of the possibility of organizing a general strike of workers of the textile and light industry was discussed.

In Poland in 1988 two "peaks" of strikes with a tendency toward an increase in the number of workers were observed. Having consolidated the opposition forces around it, "Solidarity" was born. The official trade unions (VSPS) were sharply radicalized. They achieved the resignation of the Z. Messner government but have now refused to unconditionally support the government of M. Rakowski, declaring that the trade unions in principle cannot be pro-government. Since the beginning of this year, in spite of the start of "round table" talks, strikes of an economic character have begun. After an absence of many years instances of work interruption have been noted in Hungary. Trade unions are insisting on legal approval of the right to strike and an easier procedure for declaring them. A corresponding bill has been presented to the People's Assembly.

8 In Yugoslavia the average wage has fallen to the level of the end of the '50s and the beginning of the '60s. In Poland the standard of living has been thrown back to the level of 1973. In the last year, absolute consumption in Hungary fell for the first time.

9 An analogous effect can temporarily produce a unique silent agreement with the public if the authorities are capable of guaranteeing them a sufficiently high level of consumption (Hungary after 1956 or Czechoslovakia after 1968).

10 The forecast is based on the decision of the CC of the Hungarian Socialist Workers'

Party [HSWP] to transition to a multi-party system and that restoration of unity in the leadership of the Party is practically excluded.

11 On the anniversary of the February events and the day of the death of T. Masaryk this crackdown will probably take place again.

12 At the moment [he] accepted the post of General Secretary when V. Bilak resigned.

13 Inasmuch as internal impulses for such a shift with the present composition of the leadership of the CPCz are very weak, it probably is conceivable only as a result of our skillful and careful influence.