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INTRODUCTION

Over a span of some 50 years the Soviet Union has developed from a backward, largely agricultural society into a modern industrial and military power. Successive Soviet regimes have placed emphasis on enabling Moscow not only to maintain its domination over East and much of Central Europe but also to extend its military and political influence to areas as distant from the Soviet heartland as Africa, the Indian Ocean, the Caribbean, and South-east Asia.

The impressive achievements of the last half century have been costly, however, in terms of human suffering and lives lost—most notably during the purges and the periods of collectivization and forced industrialization. Moreover, to achieve and maintain its present position, economic policy and scientific research have favored heavy industry and those scientific fields having the most direct impact on military capability. As a result, the Soviet standard of living continues to lag behind the levels of most industrialized nations, and economic development has been uneven, with performances in agriculture and light industry trailing those in major Western countries.

Directly or indirectly, the Soviet Union controls most of the resources of Eastern Europe and dominates important strategic areas—the Polish plain and most of the Danubian basin. The economies of the Eastern European Communist nations have remained closely linked to the economy of the USSR. The Soviet Army's harsh suppression of the Hungarian revolt of 1956 and the Soviet occupation of Czechoslovakia in 1968 serve as examples to would-be separatists. Romania, however, cautiously continues its efforts to pursue a more independent foreign policy and to lessen its economic dependence on the USSR and the Warsaw Pact countries.

An elaborate system of controls has been maintained to perpetuate within the state the dominant position of the Soviet Communist Party, to shape public opinion, and to neutralize popular discontent. Some of the more brutal repressive measures which characterized Stalin's rule have been eliminated by his successors in order to stimulate individual initiative and to encourage the people to identify themselves with the regime. The ameliorative efforts have not been entirely successful, however, and disaffection and dissidence have increased among important elements of Soviet society, most notably among the intelligentsia. The Soviet leadership has responded by a re-emphasis on "orthodoxy."

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Less than one eighth of the USSR is arable, and a great part lies too far north for any but Arctic-type habitation. In many areas where the climate is good the soil is poor, and some of the most fertile land lies in regions where there is inadequate precipitation or where the growing season is short. Likewise, many of the abundant and varied raw materials in the USSR are unfavorably located and hard to exploit. Most of the great rivers run to frozen or land-locked seas, and some flow in part through regions unsuited to settlement. The USSR covers a large part of Europe and Asia, and its population has ethnic, religious, and historical ties with both continents. It has more people than any Western nation, and a sizable number are skilled in modern industrial techniques. Scientific achievements are high, but administrative and managerial skills are less well developed

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GEOGRAPHY

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I. GEOGRAPHY

Physical data

The USSR, the largest country in the world, occupies 8.6 million square miles, extending across much of Europe and all of northern Asia. It is bordered mostly by the broad North European Plain in the west and by an almost continuous mountain range in the south; the Pacific and Arctic oceans are to the east and north. Despite its size and extensive coastline, the country is unfavorably located in relation to the major sea lanes of the world, and only a few widely scattered ports are open throughout the year.

The surface of the USSR is dominated by interior plains and plateaus drained by great rivers, the largest of which flow south in the European USSR and north in Siberia. The area is rimmed in the south and east by a succession of mountain systems. Plains, broken at wide intervals by hills and low mountains, predominate in the western half of the country. This area covers four major zones: tundra in the far north, grass- and scrub-covered plains and deserts in the south, and forested swampy plains and cultivated plains in between. Most of the Soviet population, the most productive industries and agricultural areas, and the best developed transportation net are concentrated in the cultivated plains.

Climate

In general, the USSR has a continental climate. The predominant influences on the climate are the vast Eurasian landmass and the adjacent or nearby oceans and seas.

Winters—December through February—vary from cool in some Black Sea regions to extremely cold in much of Siberia. Summers—June through August—range from cool on the Arctic coast to hot in the southern desert regions. During the winter, precipitation is mostly in the form of frequent light snows, and most of the area is covered by snow throughout the season. Showers account for the greatest monthly amounts of summer precipitation. Thunderstorms occur largely during the summer, most frequently in June and July.

Over much of Siberia and the Arctic regions of European USSR, cloudiness is generally at a maximum in summer and early autumn and at a minimum in winter and early spring. The reverse is true for much of the remainder of the country. In general, the poorest visibility occurs during the colder months and the best during the warmer months.

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Natural resources

The Soviet Union is rich in natural resources. It possesses about one tenth of the world's water-power resources and one fourth of the world's productive forests. It also claims some of the world's largest reserves of iron ore, chromite, lead, zinc, and nickel. The country is largely self-sufficient with respect to energy, but is entirely dependent on imports for natural rubber and relies heavily on imports of tin.

For a country the size of the Soviet Union, the agricultural base is small. Only 27% of the landmass is classified as usable agricultural land and only 11% as arable. Compared with the United States, climatic conditions for agriculture are poor.

Human resources

In terms of total population the Soviet Union is the third most populous nation in the world, outranked only by China and India. The last official census, in 1970, listed the total population as 242 million; current estimates place the population in excess of 245 million. Population density varies greatly from less than one person per square mile in some remote areas to 480 in parts of the Ukraine. The average density is 84 people per square mile.

The Soviet population is made up of 170 nationalities, but the Slavs—Russians, Ukrainians and Belorussians—constitute about 77% of the total. While the Russians still account for more than 53% of the population, the last census indicated that they are increasing at a much slower rate than the peoples of the Central Asian republics.

Because of the large Soviet losses during World War II, the Soviet labor force of 130 million is more than 51% female. Migration from rural to urban areas continues to be a noticeable trend, but 32% of the labor force is still engaged in agriculture. The rest is employed in industry and other non-agricultural fields. The Soviet labor force is generally regarded as less efficient than that of most developed Western nations.

No shortage of skilled or unskilled labor has been reported.

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ECONOMIC
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II. ECONOMIC BACKGROUND

Planning and control

Since the beginning of comprehensive economic planning in the USSR in 1928, the primary goals of Soviet economic policy have been rapid industrialization of the economy and the development and maintenance of a strong military establishment. The leadership has pursued—with a high degree of success—rapid rates of growth in industry, not only to provide military might but also to support foreign policy by increasing the international prestige of the Soviet Union in economic competition with capitalist nations.

Nearly all economic activity in the USSR is planned and closely controlled by the Communist Party of the Soviet Union (CPSU) and the government. The Politburo of the CPSU Central Committee is the ultimate authority on economic policy, but it relies on the Council of Ministers, the highest body of the executive arm of the central government, to implement policy. Ample assurance that the party's policy will be carried out by the government hierarchy is provided by interlocking membership at the top, by a strategic distribution of party members in government posts at subordinate levels, and by the existence of a party apparatus which parallels and supervises the government organs.

The Supreme Soviet—the highest legislative body—does not initiate economic measures but dutifully signs into law economic directives that have been formulated by the party Politburo and transformed into operational plans by the Council of Ministers through its several staff organizations. These staff organizations include the State Planning Committee (Gosplan), the Central Statistical Administration, the Ministry of Finance, and other more specialized bodies such as the State Committee for Labor and Wages.

Joint party and government control of the economy is enhanced by state ownership of all natural resources and almost all means of production. Most of the Soviet economic product originates in the state sector, and nearly all falls within the socialized sector (the state sector plus the collective farms). A part of total output still originates in the private sector, largely in agriculture and trade, where the private share accounts for about 30% and 4%, respectively, of gross output.

State economic plans are established for monthly, quarterly, and yearly periods, and for periods of five years or more. The multiyear plans are

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elaborated only enough to guide economic development along general lines. In contrast, the comprehensive national annual economic plan is the operational guide to current decision making and sets forth in great detail the annual goals for production and distribution, both in physical units and in monetary terms. The annual economic plan also covers employment, costs, expenditures for investment and defense, foreign and domestic trade, and income distribution. The quarterly and monthly plans are sub-elements of the annual plan. A supplementary technical plan elaborates specific changes in inputs of materials and capital required to meet the economic plan, and a financial plan designates the sources and methods of financing the projected activities. The national plan does not stop at the aggregate national level. It contains a breakdown by major territorial subdivision (republic, oblast) and by institution (ministry); it also contains provisions for smaller units down to and including individual enterprises.

The operations of state enterprises are planned in considerable detail. Enterprise management participates in the planning process, but the basic features of the plan are determined in the hierarchy of planning and supervisory organizations that culminates in the Politburo.

Finance

The essential function of the financial institutions of the USSR is to channel the distribution and use of resources in accordance with the economic plan. The banking system, which handles virtually all transactions between enterprises, provides short-term credit for working capital, and acts as agent of the state in disbursing allocations for capital investment, is a powerful instrument for influencing the operations of the enterprise. Records of financial flows, moreover, enable the financial institutions to act as a vast inspection organization to ensure compliance with plan directives. The principal financial institutions, in addition to the Ministry of Finance, are the State Bank (Gosbank), the Investment Bank (Stroybank; literally, Construction Bank), the Foreign Trade Bank (Vneshtorgbank), the savings banks, and the Main Administration of State Insurance (Gosstrakh).

The State Bank performs limited central banking functions, issuing currency, providing clearing and transfer facilities, and acting as fiscal agent for the various levels of government. As the source of virtually all short-term credit, the State Bank directly controls the flow of economic activity. Unlike central banks in the non-Communist world, however, the State Bank does not exert independent influence over the volume and direction of credit.

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Foreign trade

The planning of foreign trade, an integral part of Soviet national economic planning, is designed to procure the imports needed to meet the requirements of the economy and the exports needed to finance imports and other external obligations.

Soviet foreign trade is conducted as a state monopoly by specialized foreign trade corporations. The Ministry of Foreign Trade provides central planning and direction, preparing the foreign trade plan with the participation of Gosplan, adjusting it quarterly, and overseeing its execution. The Ministry of Foreign Trade also conducts negotiations and concludes commercial treaties and agreements with foreign countries, directs the activities of the nearly 50 subordinate foreign trade corporations that supervise day-to-day trade in particular commodities or in particular geographic areas, and formulates and carries out Soviet customs policy. Also in the area of international economic relations, the State Committee for Foreign Economic Relations (GKES) coordinates all matters concerning technical aid, largely with Communist countries but also with the less developed countries of the West. It supervises technical collaboration, aids in the construction of projects abroad, and oversees the training of specialists and the granting of credits. Seven foreign trade organizations carry out the foreign trade operations entrusted to GKES.

The State Committee for Science and Technology (GKNT) is becoming increasingly involved in foreign trade. It is charged with procuring and introducing into the Soviet economy the latest and most efficient technology available. In this connection, GKNT and its foreign trade corporation—Vnestekhnika—are becoming increasingly active in the developed West.

Soviet foreign trade has grown at a rapid pace in recent years—an average of 10% annually since 1966. In 1970, total Soviet exports and imports were valued at about \$13 billion and \$12 billion, respectively.

Soviet policies are designed to ensure that most Soviet requirements for foreign goods are met from production within the Communist world. About two thirds of Soviet foreign trade is conducted with other Communist countries, and almost 85% of this trade is with Eastern Europe. Trade with the Eastern European Communist countries is arranged largely through bilateral agreements.

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In recent years Soviet exports of raw materials to Eastern Europe have declined as a percentage of total exports, while Soviet exports of machinery and equipment to that area have grown rapidly. Soviet imports from Eastern Europe continue to be dominated by machinery and equipment and manufactured consumer goods. Trade with Cuba, Mongolia, and North Vietnam stems mostly from Soviet aid to those countries. Trade with Communist China has persistently declined over the last decade, reaching a low of \$47 million in 1970. Trade with Yugoslavia rose in 1970.

Soviet trade with hard-currency countries has been increasingly in deficit since 1967, and in 1970 the Soviet debt to these countries reached nearly \$500 million. In order to retain the balance-of-payments flexibility that they have conventionally sought, the Soviets may be near the point where they will have to reduce the rate of growth in imports from this area, especially of goods low in the Soviet priority scale. Prospects for a more rapid growth in exports in the next few years are poor, although oil exports, which were stagnating, will increase in value in 1971 as a result of a world-wide jump in the price of crude oil. For the longer range, the USSR will continue its efforts to increase exports to the West. Moscow has proposed more and more contracts for Western financing to develop Soviet resources, with the credits to be repaid from the new production.

In the past the European Community (EC) countries, the United Kingdom, and Japan have been the Soviets' most important trade partners in the developed West, and they are likely to remain so in the foreseeable future. Trade with the United States rose sharply—to almost \$180 million in 1969 and 1970—but still accounted for less than 4% of the developed West's trade with the USSR.

Soviet trade with the less developed countries spurted sharply in 1969 and 1970 after a period of stagnation from 1965 to 1968. The leading Soviet trade partners in the less developed areas—Egypt, India, Iran, and Algeria—are also the major recipients of Soviet economic aid.

Soviet foreign trade will continue to grow in the near future, but not at the 10% rate of the past four years. The new five-year plan (1971-75) calls for an average annual growth rate of 6%, but an estimate of 8% annually seems more realistic.

Growth rates

During the 1960s, GNP grew by 60% and industrial production nearly doubled. Despite evidence in recent years of a general slowing in the pace of

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growth, the economy continues to expand, supporting rapid industrialization and maintenance of a strong military and scientific establishment. The Soviet GNP in 1971 was \$557 billion, or about 55% of the US GNP. Real GNP has grown at about 5½% per year since 1965.

Income distribution

Compared with the US and other Western nations, Soviet per capita income is low. In 1971, per capita disposable income was about 738 rubles, representing an average annual increase of about 5% over the last 4 years. In addition to wages and salaries, workers receive a variety of social welfare benefits, notably insurance, medical care, and education. Rents in state-owned housing are heavily subsidized and cost the worker only 5-6% of his total income. Budget-financed social benefits, including free education, amounted in 1971 to an average yearly supplement of 286 rubles to per capita personal income.

Trends in industry and agriculture

The Five-Year Plan for 1971-75 indicates that the Soviet economy will be roughly oriented as it has been for the past several years. The plan projects an average annual growth rate of nearly 6% in the gross national product, which is only moderately better than the 5½% average during 1966-70. No major shifts are apparent in the allocation of resources among the principal claimants—investment, defense, and consumption. Investment is to grow at a slightly higher rate than the GNP (6½%) and consumption at a lower rate (5%). The plan places some emphasis on improving the lot of the consumer, but per capita consumption is scheduled to grow by only 4% in the current plan, slightly less than the rate achieved during the last plan (1966-70).

During 1971-75 the pace of growth of industrial output is scheduled to accelerate to an average annual rate of increase of about 8%, compared with the average rate of just under 7% recorded during the last plan. Among the major sectors of industry, the output of industrial materials is scheduled to increase about one half a percent above the rate averaged in 1966-70. But, with the exception of chemicals, construction materials and forest products, the planned rates of growth of all industrial material branches are somewhat lower.

To meet the goal for the new plan, net agricultural production in 1975 would have to be about 21% greater than the 1970 level. This is about the same rate of expansion recorded in the 1966-70 period.

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Success of the current plan depends on achieving gains in labor productivity considerably above the rates recorded during the last plan. Indeed, four fifths of economic growth from 1971-75 is to result from greater productivity and only one fifth from the use of additional labor.

Even if planned goals are achieved, Western estimates are that the Soviets in 1975 will fall about 10 to 15% short of 1970 US industrial and agricultural production.

Transportation and communication

The maintenance and orderly expansion of the transportation and communication system are prime objectives of the Soviet government. Vast areas of the USSR are characterized by harsh climate, permafrost, and other conditions hostile to the construction and maintenance of transport and communications facilities. Transportation and telecommunications are most intensively developed in the more populated areas of the European USSR, roughly south of a line from Leningrad to Kazan and west of a line from Kazan to Volgograd to the Black Sea. Within this area few places are more than 35 miles from a rail line. About half of all freight originations and terminations occur here. The area accounts for about 80 percent of all inland waterway traffic and contains the greatest mileage of paved roads and most of the ports.

The transportation system of the USSR must deal with a constantly increasing volume of freight. Although over-all transport growth has been about 6% a year since the 1950s, the railroads in some areas still operate at near-capacity and at times are unable to cope with simultaneous requirements to transport heavy and perishable freight. The road network, though gradually improving, remains grossly inadequate and difficult to maintain. Greatly increased numbers of suitable types of trucks, as well as service and repair facilities, are sorely needed. Domestic water and pipeline transport continue to be developed, but their share of the over-all transport volume has not increased significantly. Railroads continue to handle about 77% of all domestic freight traffic.

The Soviet railroad system, owned and operated by the government, occupies the prime position in the transportation industry. There are 83,015 miles of mainline track in the Soviet Union, compared with 212,000 miles in the US. The density of lines is greatest in the west. Eastward the network gradually becomes a series of individual lines running to Siberia, Central Asia and the Soviet Far East.

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Inland waterways supplement the rail system and form extensions of key highway routes feeding to and radiating from major inland ports. In the European USSR, the Greater Volga waterway network connects the major centers of population, industry, and transportation. Waterways suitable for navigation total approximately 89,000 miles, much more than in any other country. Because of freezing temperatures, however, the navigation season is very short in most of the country.

The highway system is used primarily for short-haul movement of freight and passengers and provides feeder and distribution service to other modes of transportation. The network is fairly well developed in some European areas but very sparse in Asiatic expanses. Only 11% of the 934,000 mile system is paved. As of January 1970 the Soviet Union had a motor vehicle pool of 5.8 million units, about one fourth of which consisted of passenger vehicles.

Civil aviation in the USSR serves three basic purposes: support of the economy through domestic and international transportation services, facilitation of administrative and political contact throughout the Soviet Union and other Communist countries, and advancement of the Soviet military effort. Priority among these functions is shifted in accordance with Soviet economic, political, and military objectives. In 1970 the nation's international and domestic trunk air route network covered over 370,000 miles. About 70 million passengers and 1.7 million tons of cargo and mail were transported by air. The Soviets are attempting to place air travel on a competitive basis with other modes of transportation and to establish air transport as one of the primary means of passenger travel within the country. Air travel has become the principal means of passenger transport for trips in excess of 900 miles. The Ministry of Civil Aviation, a component of the USSR Council of Ministers, is responsible for all civil aviation in the Soviet Union.

The Soviet regime has developed one of the largest and most complex systems of public communication in the world, and the Communist Party has forged an equally elaborate system to control it. Telecommunications are particularly important in the USSR, because of the need to maintain rapid communications with civil and military authorities located in all parts of the vast country. The major national complex of the Soviet Union is the Unified Communications System of the USSR. This comprehensive and relatively modern system supports the state requirements and also affords limited services to private citizens. It includes about 135 AM and 165 FM broadcast stations and some 1,000 TV broadcast and rebroadcast stations.

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Nominally, the telecommunication system is controlled by the USSR Council of Ministers through the Ministry of Communications and its counterparts in the republics. Transmissions are censored, and incoming traffic is filtered through government channels. Censorship is primarily the responsibility of the KGB (Committee for State Security), which operates under the Council of Ministers.

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POLITICAL
SITUATION
AND TRENDS

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III. POLITICAL SITUATION AND TRENDS

National expansion

From its beginning the Russian state has been characterized by moves to expand its territory. Toward the end of the 15th century the prince of Moscow, partly because of the strategic geographic position of his principality, emerged from the Mongol occupation as the strongest Russian ruler and succeeded in consolidating Russian territory into a united state. Ivan the Terrible (1533-84) extended the territory of the Russian state to the Tatar-held lands of the Volga Valley; the penetration of Siberia followed immediately afterward and was virtually completed by the middle of the 17th century.

The annexation of what is now the Ukraine and Belorussia began in 1654, when the eastern bank of the Dnepr as well as the city of Kiev on the west bank were annexed by agreement with the Ukrainian Cossacks. Successive partitions of Poland in 1772, 1793, and 1795 added all of Belorussia, all of Lithuania, and a considerable part of the Ukraine, which had been parts of Poland. Peter the Great (1682-1725) took Latvia, Estonia, and other territory north of Saint Petersburg (now Leningrad) from Sweden at the beginning of the 18th century. Catherine the Great (1762-96) wrested the northern littoral of the Black Sea and the Crimea from the Ottoman Empire toward the end of that century. The Russian Empire attached to itself the Grand Duchy of Finland in 1809, annexed Bessarabia in 1812, and took most of what remained of former Polish territories, including Warsaw, in 1815. As a result of a series of wars with Persia and the Ottoman Empire between 1801 and 1829, Russia annexed most of the Transcaucasian region. The conquest of Central Asia, begun a century before, was completed in the second half of the century.

As a result of World War I and the Bolshevik seizure of power in 1917, the new Soviet state lost the Russian-occupied areas of Bessarabia, Latvia, Lithuania, Estonia, Finland, and Poland, including a large part of Belorussia and the Ukraine. In 1939, however, the USSR regained the lost areas of Belorussia and the Ukraine—except for the Transcarpathian region which was taken from Czechoslovakia in 1945—and in 1940 it acquired the Baltic states, Bessarabia, and part of Finland.

After World War II, Stalin extended Soviet influence and control far beyond the limits of prerevolutionary Russia. In areas overrun by the Soviet

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Army in Eastern Europe, puppet Communist regimes were established. For a time the Soviet Union maintained close ties, based on a common ideology and a degree of overlapping national interests, with the Chinese Communists. And Soviet influence was extended even beyond this large sphere, since Communist parties, closely controlled and financially assisted by Moscow, were operating in virtually every country of the world.

As the postwar situation stabilized, it became increasingly clear that Soviet national interests were not always compatible with those of other Communist nations and parties. In some Eastern European countries the Soviets were able to maintain their control only by force of arms; in Hungary and Czechoslovakia they openly intervened. The Chinese rejected Soviet direction and tutelage, proclaiming themselves to be the true embodiment of Communism, and smaller Communist regimes and parties began to exploit the conflict between the two major Communist powers to achieve a degree of independence from both.

Political history

The government of the Russian state retained its autocratic character virtually intact until the 20th century. Authoritarian rule was generally accepted by the masses, who regarded the tsar as their protector against the oppression of the landlords. Unlike Western monarchs, the tsar faced no organized social group capable of exacting concessions; his powers were much greater than those of his Western counterparts.

The reign of Peter the Great was marked by the concerted introduction of Western political and social influences. Although these influences intensified through the 18th and 19th centuries as Russia assumed a role in the Concert of Europe, internal development lagged behind that in the other important European powers. After several abortive attempts to introduce political and social changes, Alexander II freed the serfs in 1861. Reaction set in, however, especially after Alexander's assassination in 1881, and reforms thereafter never kept pace with the requirements of orderly social, economic, and political evolution.

A new political configuration began to emerge in Russia on the eve of World War I. A constitution granted by Nicholas II in 1905 had established a nationwide consultative assembly, the Duma, which exerted some restraining influence on governmental willfulness. However unequal and indirect the new electoral franchise may have been, all classes of the population participated in the voting. Some political parties were in theory illegal, but many

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of them, including the Bolsheviks, were still able to organize and to elect their representatives to the Duma. An independent press developed which, though hindered by censorship, discussed state problems with considerable freedom and was in general highly critical of the government.

World War I interrupted these developments, precipitated the revolution, and thereby set into motion a new chain of events. After the abdication of the monarchy, the fragile political situation in 1917 was made to order for exploitation by the Bolsheviks. Led by Lenin, they easily seized power by appealing to the masses with an initial program of land for the peasants and by espousing immediate peace.

After gaining control of the country, the Bolsheviks suppressed a disunited opposition in a savagely contested civil war. Economic chaos, imposition of new and more rigid bureaucratic controls, and harsh police rule led to a major crisis in 1921. Introduction of the New Economic Policy (NEP) in that year relaxed some of the more cumbersome bureaucratic controls, gave more scope to private initiative, helped to restore the national economy, and reduced popular resistance. But the party's position remained insecure in the absence of fully developed political controls.

After Lenin's death in 1924, Stalin gradually gained mastery of the party by staffing its apparatus with persons loyal to him. He thereupon resolved the policy disputes which had been raging among top party leaders by liquidating the NEP (1928) and instituting a policy of planned, rapid industrialization. The sacrifices necessitated by forced industrialization and the collectivization of agriculture greatly increased popular discontent, and the role of the police became more prominent. During the early and middle 1930s Stalin completed the process of imposing total controls on society. By and large, the policies he adopted at that time remained in effect until his death in 1953.

The final stage in the consolidation of Stalin's power came with the purges of the 1930s, when terror was unleashed against party members for the first time. Many high- and middle-ranking officials of the government, party, army, and police, as well as prominent artists and scientists, either were executed or disappeared. The Old Bolsheviks, including any who in the past had challenged Stalin's claim to supreme power, as well as potential new challengers, were persecuted. Stalin emerged from the purges as the unchallenged leader of the party.

Although the existence of the USSR was gravely threatened by the Nazi attack in 1941, Stalin eventually succeeded in rallying the Soviet people to

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the defense of their homeland and drove the Germans back into Central Europe. After the war Stalin gradually became more and more isolated from the Soviet people and his associates. He tightened controls and initiated a new reign of terror. On the eve of his death, Soviet society—inefficient, stagnant, and ridden with fear and bureaucratic excesses—was gripped by potentially explosive discontent.

The Communist Party

The Communist Party has been the key to the maintenance of the Soviet system; it wields supreme political authority in the USSR. Although the Soviet constitution alludes only to the "leading" role of the party (Article 126), the party is in practice responsible for the formulation of all state policies and has ultimate control over their execution.

The Communist Party represents itself as a "voluntary association" standing outside the formal institutions of government, but in practice it controls and directs the government, primarily by assigning party personnel to all important governmental posts. The party's presence is pervasive at all administrative levels and in all important institutions.

The basic unit of the party is formed in factories, governmental agencies and institutions, farms, and units of the armed forces. Although the party statutes provide for the election of party officials, all officials require the approval of, and are often designated by, higher party authority. Each organization is answerable to the next higher unit in the hierarchy of party organizations. Party leaders make some attempts to encourage the initiative of rank-and-file members and the use of "criticism and self-criticism," but the most important function of party activity is the faithful execution of orders from above.

The All-Union Party Congress is nominally at the top of the party structure. In fact, the congress merely ratifies policies fixed by the Party Central Committee's Politburo (during 1952-66 called the Presidium). During Stalin's regime the congress was convened at irregular and increasingly lengthy intervals. Since Stalin's death in 1953, the party leaders generally have come closer to meeting the statutory requirement of holding a congress at least every four years. At the 24th Party Congress, which opened in March 1971, this requirement was changed to provide for a congress at five-year intervals, presumably to accord with the time span of the Five-Year Plans.

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The All-Union Party Central Committee and the Central Auditing Commission are next in the theoretical hierarchy. At the 24th Party Congress, when elections to these bodies were last held, 396 persons were named to the Central Committee (241 as full, or voting members and 155 as candidate members), and 81 persons were named to the Auditing Commission. The Central Committee played a minimal political role during the latter part of the Stalin era. (It was convened only three times in over ten years.) Khrushchev called the Central Committee together far more frequently; from 1956 to 1964 the Central Committee averaged three sessions a year, each session lasting an average of a little over three days. During 1965-71, Brezhnev convened the Central Committee about as often, but the sessions were briefer, averaging a day and a half. Central Committee members primarily serve the purpose of disseminating and implementing policy and, as a body, have not significantly exercised their purported decision-making powers.

The chief policy-making unit of the party is the Central Committee's Politburo, which presently consists of 15 full and seven candidate members. A nine-member Secretariat is the party's chief executive body. Its main functions are described in the party statutes as the selecting of personnel and checking the implementation of party decisions. The Party Control Committee, the least important of the Central Committee's auxiliary bodies, oversees party discipline and morality and brings violators to account.

The Politburo is believed to meet at least once a week to consider questions of national policy. Its members, who theoretically carry equal weight in the decision-making process, have responsibility for initiating policy recommendations in areas within their competence as party or government executives. The overlapping of functions among individual leaders undoubtedly complicates the process of policy coordination and formulation, but primary responsibility in any sphere seems to lie with one specified leader. Thus responsibility in defense matters appears to rest with General Secretary Brezhnev; he is ex-officio Chairman of the Defense Council, a civilian-military group which includes some other Politburo members and makes recommendations on defense policy in its broadest aspects for final decision by the Politburo.

Since coming to power in October 1964, Brezhnev has been either unwilling or unable to dominate the political scene as Khrushchev once did, and his position is one of pre-eminence rather than predominance. A restraint on his power is a ruling which the Central Committee adopted at the time of Khrushchev's overthrow, barring the party boss from simultaneously holding the government premiership. Aside from this check on the

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re-establishment of "one-man rule" (which in any case could be rescinded by the Central Committee at a plenum, should a political showdown occur), there are no known institutional safeguards regulating interplay within the Politburo.

Party controls over central executive agencies are exercised through departments (otdely) of the Central Committee, which actually function as the staff (apparat) of the Secretariat. Each secretary, including General Secretary Brezhnev and the others having Politburo status, directs the work of one or more departments. Within the bounds set by top leaders, these departments work out the details of public policy.

Similar staffs with comparable functions are organized under the secretariats of the republic party central committees. The Russian Soviet Federated Socialist Republic (R.S.F.S.R.), however, does not have its own republic party organization; its staff was assimilated into the central party departments in 1966.

Below the republic level, party control is exercised by provincial (oblast) and district (rayon) party committees and their bureaus and secretaries. They are assisted by departments similar to those assisting the republic party central committees, though of lesser scope.

Except for a brief period between late 1962 and late 1964, the party structure has been based on geographical principles, with a party organization in each geographical unit responsible for almost everything that happens in its territory.

A key element in the hierarchical system is the primary party organization, which is vested with control powers over the public institution where it is located. These "watchdog" organizations are responsible to higher party committees, not to the administrative chain of command of the institutions. Signals or warnings concerning activities in institutions in all spheres of public life are forwarded for action through the apparatus to the appropriate level of the hierarchy. At each level the party committees are assisted by a supervisory apparatus consisting of commissions and departments, which have the responsibility of checking all activities within individual sectors of public life, such as industry and agriculture. The degree of party supervision and interference varies, reflecting the interests of the political leadership.

Government organization

The government system of the USSR includes legislative bodies, executive agencies, and courts. The Soviet regime explicitly rejects, however,

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any theory of the separation of powers. The Supreme Soviet and also the lower soviets are not merely legislative assemblies but bodies combining all types of governmental functions. The constitution nowhere describes the soviets as legislatures or parliaments, although they are the only bodies constitutionally qualified to enact "laws." This provision is observed formally.

The constitutional position of the branches of the Soviet Government contrasts markedly with their real power position. The constitution designates the Supreme Soviet as the highest organ of power, its Presidium, as an ancillary body subordinate to it, and the Council of Ministers as an appointed instrument subordinate to both. In reality, however, the order of importance of the three bodies is roughly reversed. The Supreme Soviet, for example, a bicameral body consisting of the Soviet of the Union and the Soviet of Nationalities, actually has no real importance as a law-making agency. Normally the Supreme Soviet meets about twice a year for a few days each time and unanimously passes the budget and other laws placed before it. Each chamber of the Supreme Soviet has standing commissions with statutory authority to exercise some legislative initiative and to supervise the work of the government's executive agencies.

The Presidium of the Supreme Soviet has somewhat greater importance. It directs and coordinates the activities of the standing commissions and otherwise conducts business between sessions of the Supreme Soviet. Certain powers are conferred on the Presidium alone, such as the issuance of edicts, ratification and denunciation of treaties, appointment and removal of the command staff of the armed forces, and declaration of war or mobilization. These acts are not subject to later ratification by the Supreme Soviet. The significance of the Presidium, however, stems not from its constitutional position but from the presence in it of persons of undisputed political power achieved through activities in other more important jobs. The Presidium consists of a chairman, 15 deputy chairmen (one from each of the union republics), a secretary, and 20 other members.

The Presidium of the Supreme Soviet officially represents the Soviet state. Its chairman, presently Politburo member N. V. Podgorny, receives the credentials of foreign diplomatic representatives, greets visiting delegations from foreign governments, and affixes his signature to certain international agreements.

The Council of Ministers is the most important agency in the governmental structure. Its 81 members include a chairman, deputy chairmen, ministers, and other leading government officials. In addition, the chairmen of the 15 republic councils of ministers are ex-officio associates.

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In theory, decisions are made by the council meeting as a whole; in fact, the council meets irregularly, and decisions are usually made by the Presidium of the Council of Ministers, a little-publicized "inner cabinet" which includes the chairman, the first deputy chairmen, all deputy chairmen, and probably, in most sessions, the Minister of Finance, with the heads of appropriate ministries or other bodies participating as consultants.

The chief administrative units below the national level are the republic, the oblast, and the rayon. Most of the republics include at least one preponderant ethnic group and a number of lesser minorities.

The republics (Armenia, Azerbaijan, Belorussia, Estonia, Georgia, Kazakhstan, Kirgizia, Latvia, Lithuania, Moldavia, Russia, Tadzhikistan, Turkmenistan, Ukraine, and Uzbekistan) have their own constitutions, supreme soviets (unicameral), and councils of ministers, and have otherwise been invested with some of the trappings of sovereign states. The powers listed by the constitution as being solely within the competence of the central government are so sweeping that the actual autonomy of republic governments is severely circumscribed. The scope of the activity of republic ministers, including those concerned with local matters, is often determined by decisions made by higher authorities in the central party or government apparatus. All republic ministries are also subject to party control by the republic central committee, exercised through the party organization within governmental bodies and by direct intervention.

The principal political administrative unit below the republic is the oblast (region). Oblasts in the RSFSR are roughly comparable to a state in the United States. The components of the oblast governments, though bearing different names, correspond to those on higher levels. Their soviets are analogous to the supreme soviets, and the executive committees elected by them correspond in function to the councils of ministers. The kray is an administrative-territorial unit, which exists only in the RSFSR; a kray usually contains one or more oblasts.

Below the level of the oblast is the rayon, which is generally analogous to a US county (urban rayons correspond to the boroughs or wards of large US cities). The rayon is the lowest level at which the subordinate agencies of the ministerial structure are found and the level with which the citizen most often deals.

Although all legislative offices in the Soviet Union are filled by direct popular election, elections are a propaganda device and do not reflect

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popular opinion. The electorate has no meaningful choice because only one person is permitted to run for each office; the voter may simply approve or disapprove this candidacy. Not all candidates need be party members, but no one is able to run for office without the approval of the party bureaucracy.

Judicial system

Soviet courts are theoretically "independent and subject only to the law." In practice, however, they are greatly influenced by the policies of the government and the party, which does intervene in court cases even to the extent of overruling decisions of the Supreme Courts.

There is only one "All-Union" court in the Soviet Union, the USSR Supreme Court. It serves as the final court of appeals for republic and other lower level courts which enforce both all-union and republic laws. Prior to the re-establishment of the USSR Ministry of Justice and its republic counterparts in 1970, the Supreme Court was also responsible for supervising and training court personnel and general administration of the court system. Members of the USSR Supreme Court are elected by the Supreme Soviet for five year terms and are responsible to the Supreme Soviet. The court has the power to initiate legislation but it does not have the power of judicial review.

The Office of the USSR Procurator General is responsible for the investigation, prosecution, and appeal of cases which violate the criminal code; it sometimes intervenes in civil cases. The USSR Supreme Soviet appoints the Procurator General who in turn appoints republic and oblast procurators.

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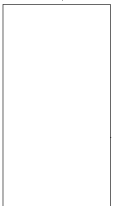
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ARMED FORCES

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VI. ARMED FORCES

The Soviet armed forces, as presently constituted, consist of ground, naval, air, air defense, and rocket forces. The main purpose of each of these is to develop combat forces along functional lines for coordinated operations; all five components are highly interdependent.

About 3.5 million men are estimated to be in the armed forces. Almost two thirds of these or approximately two million men are assigned to the ground forces. The remainder are believed to be assigned as follows: navy, 474,000; air force, 510,000; and strategic rocket forces, 375,000. In addition, the border and internal troops of the security forces have a strength of about 250,000.

These forces are augmented by an effective reserve of 20 million men between the ages of 18 and 50, part of a total manpower pool of more than 62 million men.

The Soviet Navy has over 210 major naval surface combatants, and about 350 submarines. In addition, there are over 2,200 other surface combatants and auxiliaries. There are over 970 combat and reconnaissance aircraft in naval aviation. The long-range air force has approximately 910 bombers and tankers, while tactical aviation is made up of some 4,000 fighters and light bombers. About 3,200 fighters are assigned to the air defense forces. An estimated operational inventory of approximately 1,475 intercontinental ballistic missile launchers (over 1,600 missiles) and more than 700 variable-, intermediate-, and medium-range missile launchers (nearly 1,200 missiles) are in the hands of the strategic rocket forces.

In addition to its own armed forces, the Kremlin leadership regards the military capabilities of other Warsaw Pact states as important to its strategic position.

The Soviet armed forces are controlled by the Ministry of Defense, headed by a minister who is normally a military officer on active duty. The minister of defense is a member of the Council of Ministers within the Soviet Government and is also responsible to the Central Committee of the CPSU. He advises the Council of Ministers and the Central Committee on the requirements and capabilities of the armed forces and is responsible for implementing decisions of the political leaders. Operational command and over-all administrative control of the armed forces are exercised by the minister of defense through the high command made up of the minister of defense and his deputies.

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The Main Political Directorate of the Soviet Army and Navy is the principal instrument used by the party to maintain political control, including rigid adherence to party policies and directives, over the armed forces. The political apparatus is an integral part of all headquarters above company level throughout the military forces. The Main Political Directorate administers and directs the activities of the political officers responsible for political indoctrination of all personnel, morale-building programs, and surveillance of political reliability.

In 1970, estimated Soviet defense and defense related expenditures were about 12% of the total government budget and 7% of the GNP. The planned defense budget of 17.9 billion rubles for 1972 is identical to the defense budgets of 1970 and 1971. The published figure, however, excludes most of the funds for military R & D and military space which are the most rapidly growing elements in the Soviet defense effort. Including military space and R & D, intelligence estimates project total Soviet defense expenditures in 1972 at about 23 billion rubles—the equivalent of about \$66 billion if measured in US costs—an increase of about three percent over 1971.

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VII. FOREIGN RELATIONS

The history of Russian foreign policy, including that of the Soviet period, has been marked by striking elements of continuity. These elements include a persistent tendency to expand the boundaries of Russian power and an ideological exclusiveness that complicates relations with other nations. The USSR's great physical and military strength has strengthened these forces, just as the Bolshevik Revolution of 1917 added to their fervor. Communist ideology which assumes the continual growth of power at the expense of the non-Communist world, remains a significant factor motivating an expansionist Soviet policy. When the demands of revolutionary Communist doctrine conflict with the interests of the Soviet state, however, the problem is usually resolved in favor of the latter.

An intense concern with national security has traditionally characterized Russian policy, and this has remained true during the Soviet regime. Protection of the homeland is the decisive reason why the Kremlin has given first priority to retaining tight control over the states of Eastern Europe and strengthening defenses in the area bordering China. Convinced of the implacable hostility of the outside world, Soviet leaders—like their tsarist predecessors—have placed heavy emphasis on isolating their state from ideological "infection" by other cultures. Moscow's assumption that the capitalist world seeks to expand at the expense of the Soviet empire also has a powerful impact on the USSR's foreign policy.

The effect of Communist ideology on Soviet foreign policy comes into play most clearly in the USSR's relations with other Communist states. Disputes over aid to "national liberation movements," attitudes toward "bourgeois" nationalist leaders, the sanctity of the Communist camp, and other contentious issues have led to numerous divergencies within the world Communist movement. The USSR, with a larger stake in the status quo, has come to interpret Communist ideology with less fervor than China or Cuba. Smaller and less powerful countries, such as Yugoslavia and Romania, favor a less unified world Communist movement and oppose Moscow's efforts to restrict them to a subservient role. Though a majority of the world's Communist parties remain responsive to Soviet advice, Moscow has had to loosen its grip and in some cases has lost control completely.

One of the Soviets' most important problems in their foreign policy is dealing with their Chinese neighbors along the world's longest land frontier. Soviet animosity toward China is deeply rooted in political and psychological factors. Broad cultural differences, compounded by strong historical and

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racial enmities have helped to give the dispute a strong emotional cast. Moscow sees its desires to play a leading role in Asia thwarted by Peking and, in the ideological sphere, resents Peking's challenge to Soviet leadership of the world revolutionary movement.

The Sino-Soviet dispute reached critical proportions in 1960 when Khrushchev suspended Soviet military assistance to the Chinese. In November of that year, 81 Communist parties met in Moscow where the Chinese, supported by several other delegations, attacked the Soviets for trying to dominate the international Communist movement. The intrabloc conflict was papered over by the conference's concluding statement reaffirming the goals of a world-wide Communist system, but Khrushchev persisted in his effort to read the Chinese out of the movement.

The dispute took a new, dramatic turn in the spring and summer of 1969 when a series of clashes occurred along several sections of the border. The Soviet leadership combined threats of military action with proposals for negotiations to force Peking to make efforts toward resolving the dispute. In the fall of 1969, the Chinese finally agreed to the Soviet demand for talks, but the negotiations have dragged on with no significant progress. Nonetheless, Moscow and Peking have sought to reduce the level of tension that had prevailed during the border fighting and to put their relations on a more normal footing. Ambassadorial ties which were disrupted during China's Cultural Revolution were resumed in 1970, and trade relations have improved since the 1969 border fighting.

Peking's opening to the US, however, has presented Moscow with its biggest challenge not only in the Sino-Soviet context but in Moscow's global relations. The Soviets seemed slow to grasp the implications of Peking's new diplomacy in the West until the announcement on 15 July 1971 that President Nixon would visit China. Until then the Soviets were suspicious but not overly concerned about a Sino-American detente. After the announcement, the Soviets were clearly worried that Moscow's two rivals would resolve their differences and team up against the USSR. The Sino-American dialogue, moreover, seriously damaged Moscow's efforts to soil Peking's international image and marked the Soviet failure to contain China. The coincidence of US and Chinese positions during the India-Pakistan war has intensified Moscow's concern that Sino-American contacts would lead to meaningful collaboration on political matters.

The Chinese, meanwhile, have taken delight in Moscow's discomfiture and have done nothing to allay Soviet suspicions. They have sought to

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distract the Soviets through penetration of Moscow's own East European backyard, and have tried to gain friends in the third world at Moscow's expense. An article in Peking's authoritative journal, *Red Flag*, has justified the contacts with the US in terms of isolating a single "die-hard" enemy, obviously the USSR. The Chinese also have emphasized Mao's distinction between "imperialism" (the USSR) which is committing aggression against China and "imperialist powers" (the West) which are not. The Soviets, in response, have accused Peking of befriending any country hostile to the USSR.

Although the Soviets have castigated Peking for expanding contacts with the US, they have given every indication that the Nixon visit to Peking should not jeopardize Soviet-American contacts. In the past several years there has been forward movement in USSR-US relations, with the two sides negotiating on issues from outer space to the seabeds. The SALT talks, of course, are the most critical forum. Both sides moved to break the impasse in these talks on 20 May 1971, when the US and USSR agreed to concentrate on working out an early agreement for the limitation of anti-ballistic missiles together with "certain measures" to limit offensive strategic missiles.

Since the announcement of the visit to China the Soviets have continued and, in some cases, intensified bilateral contacts with the US. In September 1971 the two sides signed agreements on the prevention of accidental nuclear war and on a new direct communications link. The Incidents at Sea talks between US and Soviet delegations in October 1971 furnished another instance of positive movement, and the Soviets have—for the first time—agreed to negotiate a new cultural exchange agreement before the expiration of the old one. Thus, the announcement of the Nixon visit did not derail the Soviets from the detente track with the US laid down at the 24th Party Congress in March 1971, but on the contrary seems to have provided new stimulus for it.

The announcement that President Nixon would visit China appears to have had a catalytic effect on Soviet dealings in Western Europe, where Moscow appears interested in getting its relations in good repair. The speed and flexibility with which the Soviets moved toward a satisfactory agreement on Berlin, for example, may have been influenced by the announcement. Less than two weeks after plans for the visit were revealed, the Soviets reversed field at the Berlin talks and told the Allies that Moscow wanted an agreement by mid-August. Although there is evidence that the Soviets—even before 15 July—were looking ahead to August as the turning point in the Berlin negotiations, Moscow's alacrity in moving toward a satisfactory agreement on Berlin after more than a year of protracted talks suggests that the

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Soviet leaders were influenced by the news of the visit. Chinese pressure along the Sino-Soviet border in 1969 seems to have had a similar effect on Soviet policy in Europe, witness Moscow's sudden receptiveness at that time to Willi Brandt's Ostpolitik.

Even before the announcement of the visit, however, the Soviets had been working to achieve a rapprochement with West Germany. Indeed, Moscow's signing of a renunciation of force agreement with Bonn in August 1970 marked the beginning of a new period in the postwar history of Europe. Having obtained Bonn's de facto recognition of the inviolability of European borders, the Soviets increased their efforts to expand their influence in Western Europe, to obtain US military withdrawal from Western Europe, and to prevent further economic unification such as the Common Market.

The Brezhnev-Kosygin team which ousted Khrushchev in 1964 has sought whenever possible to reassure Western Europeans that the days of the cold war are over and that there is much mutual profit to be gained from accommodation. Moscow has sought to portray the independent policies of France as an example of the kind of cooperation that has become possible between West European states and the USSR. The Soviets also are interested in a conference on European security and are hoping to develop trade and technical exchanges. Brezhnev has traveled to France with these goals in mind, and Kosygin has gone to Denmark and Norway.

The warming of Sino-American relations, accompanied by the general increase in Chinese diplomatic activity, persuaded the Soviets to move aggressively to counter Chinese inroads in the Balkans. The so-called Brezhnev doctrine of "limited sovereignty," which alleges that the USSR has the duty and obligation to intervene in defense of socialism anywhere it may be threatened, is symptomatic of Moscow's efforts to maintain hegemony in Eastern Europe. During the past year—and particularly since the 15 July announcement—the Soviets have demonstrated serious concern over the influence of China on Moscow's Balkan neighbors. The Chinese had increased their ties with the Romanians and have promoted better relations with the Yugoslavs who, as "arch-revisionists," have in the past been subjected to Peking's harsh criticism. The Soviets have made clear that flirtatious responses to Peking are unacceptable and last summer embarked on a major campaign to disabuse Bucharest and Belgrade of any notion that ties with Peking could be used against the USSR. The Soviets excluded Romania from a Warsaw Pact meeting in August to underline the danger of Bucharest's wayward behavior, and Brezhnev visited Belgrade in September

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in order to counter Tito's ties with Washington and Peking. Susceptible to Soviet influence, the Balkan states apparently have decided not to test the limits of Moscow's patience.

Moscow's concern to counter the effects of the thaw in Sino-American relations also contributed to the speed with which the USSR and India revived and brought to completion a Treaty of Friendship and Cooperation on 9 August 1971. This project was first broached by Moscow in 1969 as a part of a Soviet diplomatic offensive aimed against China, but negotiations died out the following year. The outbreak of rebellion in East Pakistan in 1970, however, put the Indians under new pressures. Both Moscow and New Delhi felt isolated by the news of President Nixon's plan to visit China. Unable to persuade the Indians to conclude a treaty in 1969, the Soviets were glad to have another chance to gain ground against both China and the US. In so doing, Moscow took a step toward consolidating its position not only in India but in Asia as a whole.

During the Indo-Pakistani war the USSR gave complete diplomatic and propaganda support to New Delhi, and used the opportunity to beef up the Soviet naval squadron in the Indian Ocean. Soviet personnel were not involved in the fighting, however, and Soviet ships remained well away from coastal areas until hostilities ended. Moscow, moreover, did not encourage Indian military action aimed at the dismemberment of West Pakistan and quickly endorsed New Delhi's offer of a unilateral cease-fire on the Western front.

Elsewhere in Asia, Moscow's actions have been taken with an eye to China. The Kremlin's decision in the winter of 1964-65 to provide substantial military assistance to North Vietnam was adopted to counter Chinese influence there, and Premier Kosygin's trip to Hanoi in February 1965 was a direct challenge to Peking's position. During the following year, Soviet assistance to Hanoi grew, as did the dispute with Peking. Since the announcement of the Nixon visit to Peking, the Soviets have tried to exploit Hanoi's increased misgivings with regard to China's actions. Soviet criticism of recent US bombing attacks against North Vietnam, for example, was designed to call attention to Peking's dealings with Washington and to impress on Hanoi that Moscow is a more dependable ally.

Since World War II, Soviet policy toward Japan has been characterized by ambiguity and caution. Although Moscow recognizes

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Japan's economic strength and is interested in attracting Japanese capital for the development of Siberian raw materials, the Soviets nevertheless have viewed the conservative Japanese Government as the US surrogate in Asia and have displayed increasing concern over Japan's military and political intentions in the Far East.

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Elsewhere in Asia and in Africa, the Soviets have undertaken a concerted political and economic offensive to supplant Western influence and to align third world countries with the USSR. Military aid, starting with the first large arms deal with Egypt in 1955, has proved to be Moscow's most effective instrument, whereas economic aid has been used more sparingly. In addition to Egypt, Arab states such as Iraq, Syria, and Yemen (Aden) are nearly totally dependent on the Soviet Union for military assistance. Traditionally pro-Western states such as Jordan, Lebanon, and Iran are also receiving arms from the USSR.

Military aid has served Soviet objectives well, and has contributed significantly to the weakening of Western political influence in many countries of the third world. The aid has enabled the Soviets to establish a naval presence in the Mediterranean. Although the USSR has not acquired formal base rights in the Middle East, it has obtained operating privileges that directly support overseas military activities. In Egypt, for example, the Soviets have storage facilities at Port Said and naval repair facilities at Alexandria. A Soviet Naval Air Squadron flies reconnaissance flights against the US Sixth Fleet from Egyptian airfields. Moscow also has obtained access to port facilities in Syria and Yemen (Aden), and has increased the frequency and duration of Soviet port calls to the Indian Ocean.

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Soviets have supplied air defense systems to Cuba and North Vietnam. [REDACTED]

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The continued improvement of Soviet naval forces, accompanied by the expansion of airlift and amphibious capabilities, will give the USSR additional flexibility in any distant operations considerably beyond its negligible capabilities of only ten years ago.

In Latin America the Cuban revolution in 1959 gave the USSR a chance to show its support for a socialist country within the shadow of the US. In the last few years the Soviet military presence in the Caribbean has expanded significantly, and facilities at Cienfuegos have provided services for Soviet naval combatants, including nuclear-powered submarines. The military governments of Peru and Bolivia have been singled out for praise, marking a change in Soviet attitudes toward certain military regimes. The Soviets will continue to watch events in Chile very closely and, if Chilean President Allende shows some prospects of succeeding, Moscow will probably be more forthcoming with support.

On balance, Soviet party chief Brezhnev has tightened his grip on the reins of foreign policy. In the past few years, he has become the USSR's chief spokesman for detente and has tried to broaden his role to include that of world statesman. At the same time, he has taken advantage of every opportunity to expand Soviet power into new areas, particularly into South Asia and the Middle East. And like his tsarist predecessors, he has maintained Russia's dominance over East Europe, clamped down on potential sources of irredentism, and secured German de facto recognition of Soviet hegemony over Central Europe. Brezhnev also has improved the Soviet position vis-a-vis the US, and in particular has obtained acknowledgement of Moscow's nuclear parity with Washington.

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VIII. US INTERESTS

The US has no defense commitments or alliances with the USSR, of course, but there is a growing network of agreements and cooperative arrangements in the US-Soviet relationship. Moreover, the US currently is engaged in a wide variety of negotiations with the USSR, ranging from the Strategic Arms Limitation Talks (SALT) designed to stabilize the strategic balance between the two countries to measures to conserve natural resources. Some of these negotiations, such as those covering disarmament and environmental issues, are multi-national and will only produce agreements through a fairly broad consensus among many nations. Others, such as SALT, the talks aimed at avoiding incidents at sea, and those concerning trade and scientific exchanges, may eventually produce new bilateral agreements.

The USSR has shown high-level interest in expanding Soviet-American trade and in obtaining US assistance in developing Soviet mineral resources—an interest reiterated by Premier Kosygin in his discussions in Moscow in November 1971 with former secretary of commerce Stans. As a follow-up to the Stans' visit, a Soviet trade delegation visited the US in January 1972 to hold exploratory talks on economic relations. The Soviets were seeking the establishment of most-favored-nation treatment as well as long-term credits from the Export-Import Bank.

Soviet trade with the US increased sharply in 1969, largely on the strength of Soviet imports of US automotive machine tools and steel. Exports to the US went from \$43 million in 1968 to \$61 million in 1969 while Soviet imports jumped from \$57 million to \$117 million. In 1970, export and import totals stayed about the same at \$64 million and \$115 million, respectively. This was the highest level of trade since 1964, when the USSR imported substantial quantities of US wheat. In spite of this growth, the 1970 totals represent less than 4% of Soviet trade with the developed West.

Prospects are good for an exchange, in 1972-75, of US equipment and technology for Soviet industrial raw materials in the areas of crude oil and natural gas. The USSR urgently needs modern petroleum facilities, and Soviet oil and natural gas probably can be marketed in the US. Similar exchanges are possible for copper, diamonds, manganese, nickel, and timber. For the next few years non-Soviet supplies of copper and manganese will be ample to meet US needs, but some trade in copper could develop after 1975.

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Since the US is wholly dependent on imports for manganese, trade is possible in the latter half of the 1970s. The US has imported small amounts of nickel from the USSR in recent years and will increase such imports under the terms of a contract providing for Soviet annual deliveries of 5,000 tons of nickel to the US Steel Corporation for the next five years. Prospects for diamonds and timber are slight because US firms are obligated to other foreign markets.

The expansion of sales of mining equipment and technology to the USSR, or direct US participation in Soviet mining ventures, very largely depends on the willingness of US companies to take payment in raw materials. US firms will be motivated to accept Soviet raw material if it is marketable, and if Soviet terms provide a better return on investment than alternative opportunities in the non-Communist world. A recent \$65-million deal concluded by the Soviet Ministry of Foreign Trade and the SATRA Corporation of New York has given an initial impetus to expanded trade. The agreement called for US firms to supply \$45 million worth of ore mining equipment and \$20 million worth of drill pipe and tubing, with payment in Soviet nickel.

Future Soviet economic dealings with the US depend in part on what Washington does about its restrictions on trade with the USSR. Reduction of US export controls and credit limitations would contribute to growth in Soviet imports from the US. For example, the Soviet desire for US truck manufacturing equipment and technology could result in substantial sales by the US. Export licenses for some of this equipment have already been approved, and the Congress has given the President authorization for Export-Import Bank financing for Communist countries. Granting of most-favored-nation treatment to the USSR may also bring a rise in some Soviet exports to the US, but it is difficult to predict the extent.

The outlook for trade with the USSR is brighter in the late 1970s and beyond. The US probably will be obliged to increase its reliance on foreign suppliers of raw materials as the economy continues to grow. The USSR, with its extensive resources of many of the necessary materials, could become an important supplier to US and other Western markets. There is considerable Soviet demand for technologically advanced products, and the US has a strong competitive position for many of these products. Assuming that the East-West detente continues, the convergent interests of the two countries could lead to a significant increase in trade.

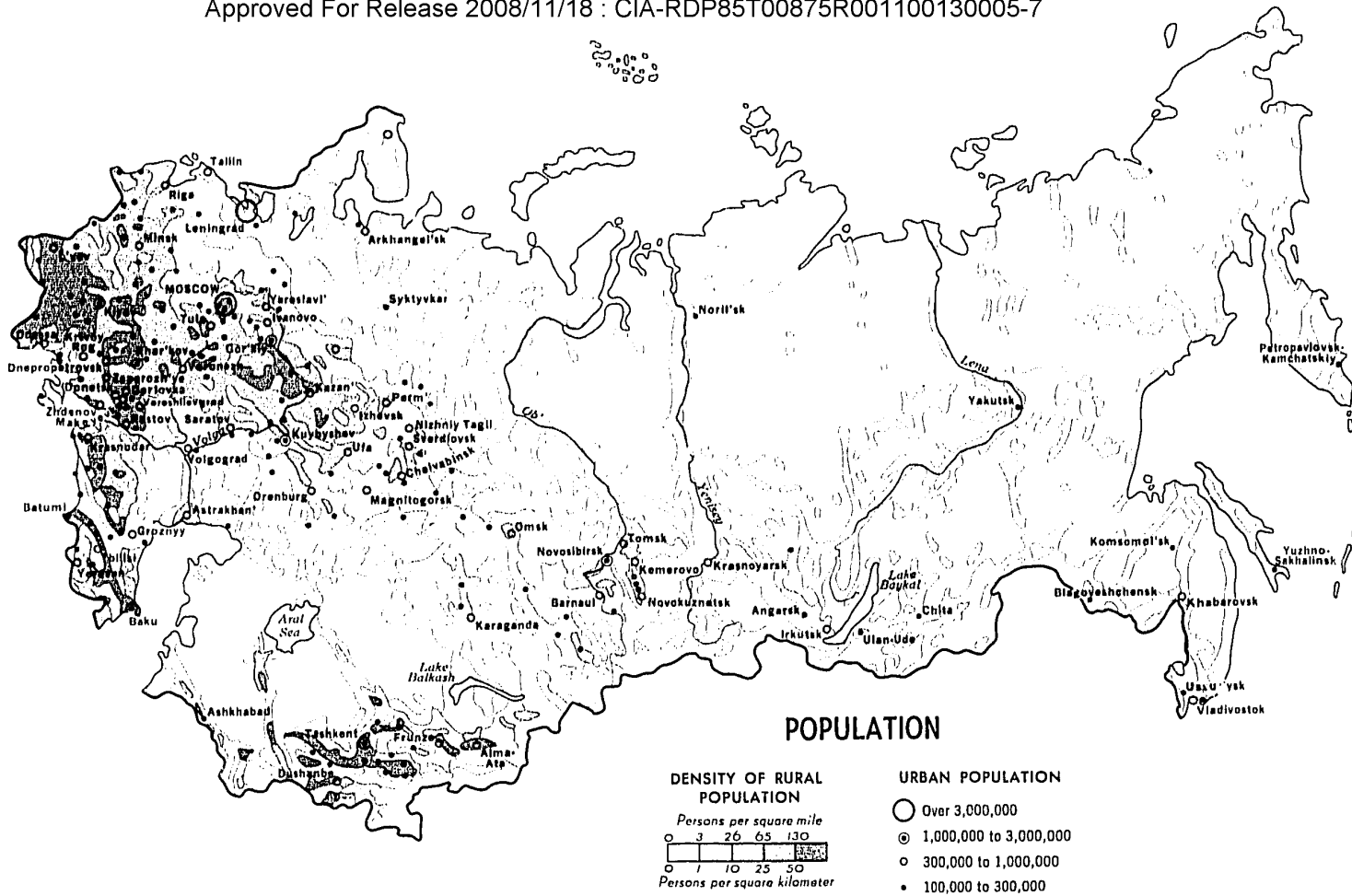
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SECRET

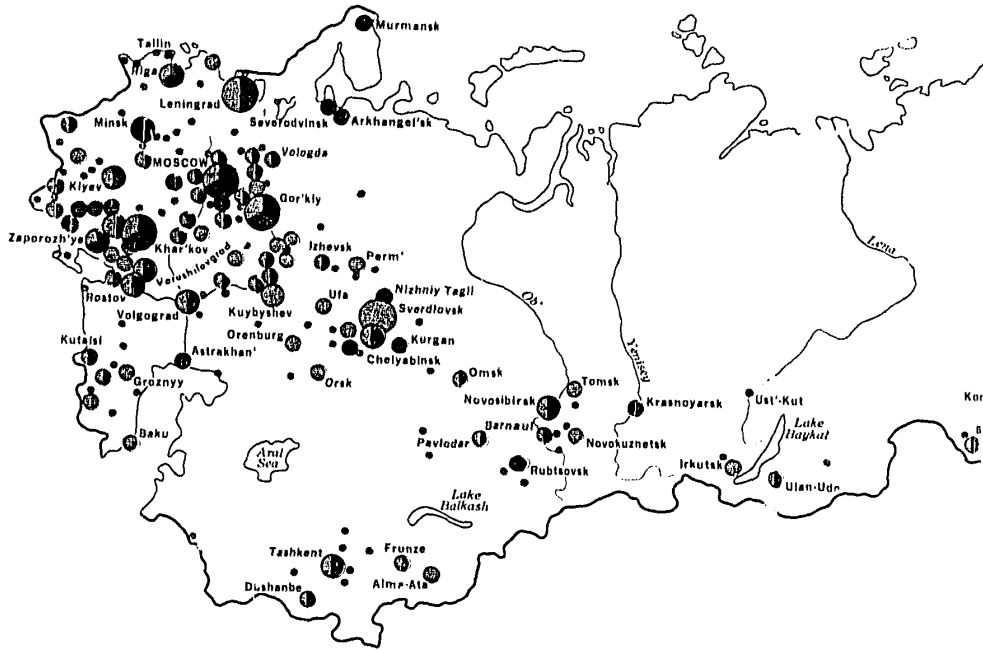
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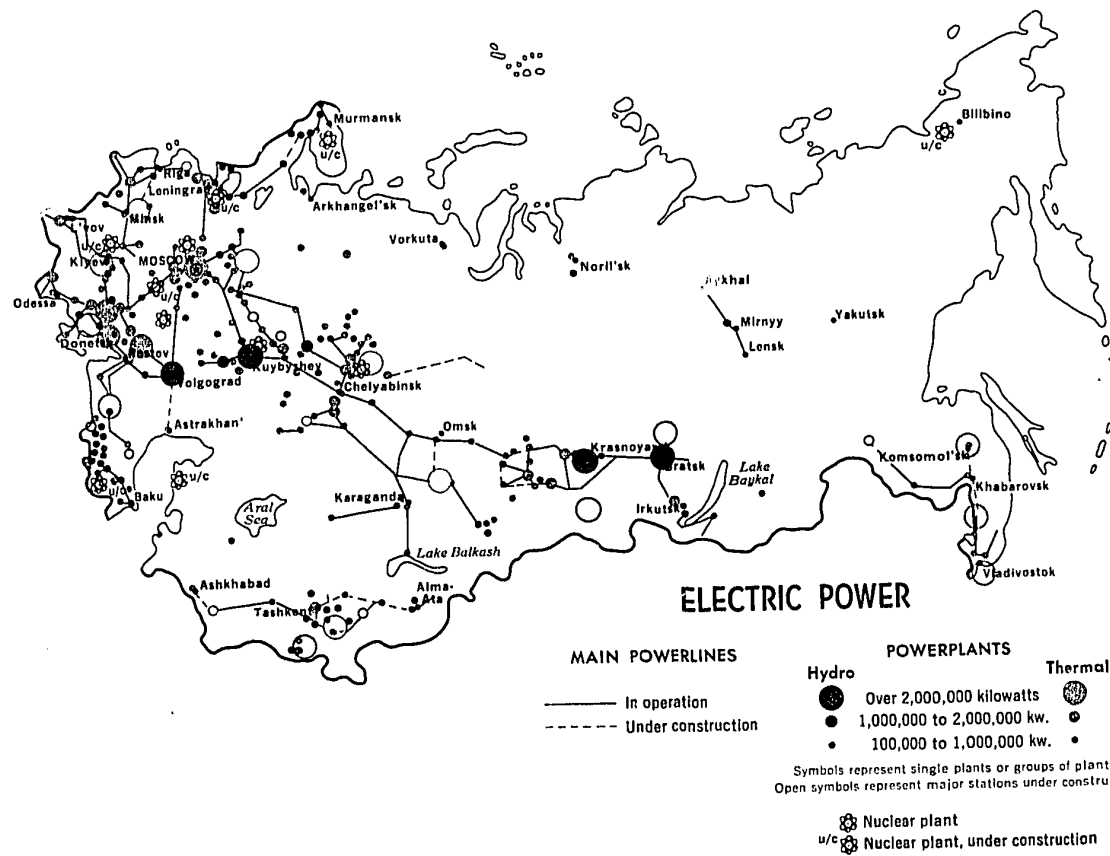


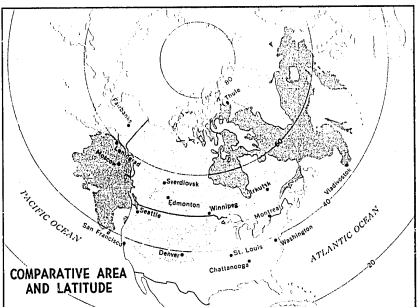
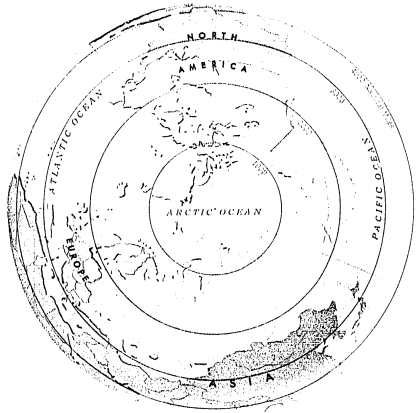
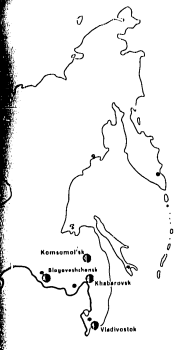
MACHINE BUILDING AND METALWORKING

- Tractors, farm equipment
- Automobiles and trucks
- Other transport equipment
- Other machine building and metalworking

The larger symbols within a category denote the more important producers.







LAND USE

PRINCIPAL AGRICULTURAL ACTIVITIES

- Grain
- Livestock, grain, and other crops
- Livestock, grain, other crops, and woodland
- Dairy farming
- Irrigated cotton
- Fruit, vineyards, etc.

NONCULTIVATED AREAS

- Forest and mountain areas
- Desert or semidesert
- Tundra
- Extensive swamp

Noncultivated areas include marshes, bogs, etc.

PETROLEUM REFINING AND CHEMICAL INDUSTRY

- Petroleum refining
- Synthetic rubber
- Mineral fertilizers
- Various chemicals

The larger symbols within a category denote the more important products.

