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#2327n

Interlocking Directorate of the Soviet Leadership

Party			Government		
Politburo	Date of	Other Post	Secretariat	Council of Ministers	Presidium of Supreme Soviet
Full Member	Birth	Election			
Gorbachev	3/02/31	10/21/80	General Secretary		Member
Aliyev	5/10/23	11/22/82		1st Deputy Chairman	
Chebrikov	4/23	4/23/85		KGB Chairman	
Grishin	9/18/14	4/09/71	Moscow party chief		Member
Gromyko	7/18/09	4/27/73			Chairman (President)
Kunayev	1/12/12	4/09/71	Kazakhstan party chief		Member
Ligachev	11/29/20	4/23/85		Personnel and Ideology	
Ryzhkov	9/28/29	4/23/85		Economic Management	
Shcherbitskiy	2/17/18	4/09/71	Ukraine party chief		Member
Shevardnadze	1/25/28	7/1/85		Minister of Foreign Affairs	
Solomentsev	11/07/13	12/26/83	Party Control Committee		
Tikhonov	5/14/05	11/27/79		Chairman	
Vorotnikov	1/20/26	12/26/83	RSFSR Premier		
Candidate Member					
Demichev	1/03/18	11/03/64		Minister of Culture	
Dolgikh	12/25/24	5/24/82		Extractive and Heavy Industries	
Kuznetsov	2/13/01	10/03/77			1st Deputy Chairman
Ponomarev	1/17/05	5/19/72		Nonruling Communist Parties	
Sokolov	7/1/11	4/23/85		Minister of Defense	
			Kapitonov—Light industry and consumer goods		
			Nikonov—Agriculture		
			Rusakov—Ruling Communist parties		
			Yel'tsin—Construction		
			Zaykov—Defense Industry, Security Organs		
			Zimyanin—Propaganda, ideology		

Unclassified

RECENT INTERNAL DEVELOPMENTS

With the election of 54 year old Mikhail Sergeyevich Gorbachev as Soviet General Secretary on March 11, power in the Soviet Union began to pass to a new generation. For the first time in ten years the Soviets have a leader whose ill health is not a key factor in both the pace and perceptions of the country's management.

Gorbachev's rise in the Soviet power structure was unusually swift, from a regional party leader to CPSU General Secretary in only six years. After eight years as head of the Stavropol region party apparatus Gorbachev moved to Moscow in 1978 to become national party secretary supervising agriculture. A year later he became a candidate Politburo member and in November 1980 a full member. He was a protege of both Suslov and Andropov, and the latter seemed to be grooming Gorbachev to succeed him. When the party old guard resisted this upon Andropov's death, Gorbachev demonstrated team player qualities under Chernenko.

Gorbachev is well educated, urbane, comfortable with the exercise of power, and enjoys political give and take. He has struck foreign leaders as friendly and approachable but firm and uncompromising on substantive issues.

Gorbachev has moved unusually swiftly to consolidate his political position. In April he elevated three of his associates -- Ligachev, Ryzhkov and Chebrikov -- to full Politburo membership, thus giving himself a working majority in that body. On July 1 a second party plenum ousted Gorbachev's principal rival for power, Romanov, and made party secretaries of two proven economic managers: Leningrad party boss Zaykov, whose background is in the electronics industry, and Central Committee Construction Department chief Yel'tsin, who had until April been First Secretary of important Sverdlovsk Oblast in the Urals. The same plenum promoted Georgian party boss Shevardnadze from candidate to full Politburo membership, and a Supreme Soviet session the following day named Shevardnadze Foreign Minister to replace the veteran Gromyko, who was promoted to the largely ceremonial head of state role of Chairman of the Presidium of the Supreme Soviet. Since Gromyko was succeeded as Foreign Minister by another Politburo member rather than one of his own proteges, the move represents a massive dilution of Gromyko's influence over foreign policy and a further consolidation of Gorbachev's own power. Gorbachev's priority between now and the party congress next February is likely to remain personnel, replacing key central and regional managers with people loyal to him, and guaranteeing his dominance over the new party program and Central Committee the congress will approve.

The Gorbachev leadership style is activist, vigorous and decisive. He has projected a new sense of style, energy and purpose as an approachable leader who stays in touch with the

masses. He is very much oriented to making the system work more efficiently and effectively, and his public statements have focused on the importance of instilling greater discipline in the Soviet workforce and the fight against alcoholism.

Hopes are high among those in the Soviet apparatus eager for broad policy change as well. Whether these hopes will be fulfilled remains to be seen. On economic issues Gorbachev has a pragmatic record which suggests he may favor a shift from centralized administrative management toward more localized economic responsibility and initiative. Any such move would have heavy going, however, against an entrenched party and economic apparatus which has a heavy stake in the status quo. So far Gorbachev's economic policy statements appear oriented toward limited reform rather than fundamental change of the system.

Progress on human rights or domestic liberalization is not to be expected in the short term. During periods of transition the Soviets tend to tighten internal constraints. In the longer term some relaxation is possible if the leadership perceives itself to be more secure on both the domestic and international fronts.

On foreign policy, Gorbachev's past public record suggests he favors a less confrontational stance toward the West, but his substantive positions have not deviated from the Politburo consensus on foreign policy. His specific foreign policy views will emerge increasingly over time, but he is already clearly able to present Soviet policy both articulately and personably, presenting the US with an activist and agile challenge in the contest for international opinion on arms control and other issues.

September, 1985

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* Updates already tasked
* Should be reviewed for update

BACKGROUND NOTES - U.S.S.R.

July 1985

Official Name: Union of
Soviet Socialist Republics

PROFILE

People

Noun and adjective: Soviet(s). Population (July 1980): 265.5 million. Annual growth rate: 0.9%. Density: 12 per sq. km. (31/sq. mi.). Ethnic groups (1979): 52% Russian, 16% Ukrainian, 5% Uzbek, 4% Belorussian. Religions: Atheist 70%, Russian Orthodox 18%, Muslim 9%, Jewish 3%, Protestant, Georgian Orthodox, and Roman Catholic. Languages: Russian (official), Altaic 12%, other Indo-European 8%, Uralian 3%, Caucasian 2%. Education: Years compulsory -- 11. Attendance -- over 90%. Literacy--99.8% (between 9-49 yrs. of age as of 1979). Health: Infant mortality rate -- 39/1,000 by Soviet definition, 44/1,000 by US definition. Life expectancy (1974)--70 yrs. Work force (125.9 million, 1980): Agriculture -- 20%. Industry -- 29%. Services -- 21%. Government -- 2%.

Geography

Area: 22,402,076 sq. km. (8.65 million sq. mi.); about 2 1/2 times the size of the US. Cities. Capital -- Moscow (pop. 7.8 million). Other cities -- Leningrad (4.4 million), Kiev (2.1 million), Tashkent (1.7 million). Terrain: Varied; low mountains, prairies, tundra. Climate: Varied; generally long, cold winters and short summers.

Government

Type: Federal Union (est. December 30, 1922).

Constitution: 1977.

Branches: Executive--USSR Council of Ministers.
Legislative--bicameral USSR Supreme Soviet
(767-member Council of the Union, 750-member
Council of Nationalities).
Judicial--Supreme Court of the USSR.

Political party: Communist Party of the Soviet Union (CPSU). Suffrage: Universal over 18; direct, equal.

Administrative subdivisions: 15 union republics, 20 autonomous republics, 6 krais, 120 oblasts, 8 autonomous oblasts.

Central government budget (1981): 298.2 billion rubles.

Defense (1980): 12%-14% of GNP.

Flag: Red with a yellow hammer and sickle below a yellow star in the upper left corner.

Economy

GNP (1980): \$1.5 trillion. Annual growth rate: 1.5% 1979-80; avg. 2.6% 1976-80; (since 1980 2-3%). Per capita GNP (1980): \$5,730. Per capita GNP growth rate: 0.7% 1980; 1.9% avg. 1976-80.

Natural resources: Fossil fuels, waterpower, timber, manganese, lead, zinc, nickel, mercury, potash, phosphate.

Agriculture: (13.9% of 1980 GNP): Land -- 27%. Products -- wheat, rye, oats, potatoes, sugar beets, linseed, sunflower seed, cotton and flax, cattle, pigs, sheep.

Industry: (36.8% of 1980 GNP): Mining, ferrous and nonferrous metallurgy, fuels and power, building materials, chemicals, machine building.

Trade (1980): Exports -- \$76.5 billion: fossil fuels, raw materials, machinery and equipment, semifinished products. Imports -- \$68.5 billion: machinery and equipment, foodstuffs, raw materials. Trade partners -- GDR, Poland, Czechoslovakia, Bulgaria, FRG, Hungary, Cuba, Finland, Yugoslavia, France, Italy, Romania, Japan, UK, India, US.

Official exchange rate (March 1985): 1 ruble=US\$0.90.

Membership in International Organizations: Council for Mutual Economic Assistance (CEMA), Geneva Disarmament Conference, UN and several of its specialized agencies (IAEA, ICAO, ILO, IMCO, ITU, UNESCO, UPU, WHO, WMO), Seabeds Committee, Warsaw Pact, Universal Copyright Convention.

PEOPLE

The Soviet Union ranks third in the world in population (after China and India). Moscow and Leningrad are its most populous cities; Kiev, Tashkent, Baku, Kharkov, Gorky, Novosibirsk, Kuibyshev, Sverdlovsk, Tbilisi, Dnepropetrovsk, Odessa, Chelyabinsk, Donetsk, Yerevan, and Omsk each have more than 1 million inhabitants.

More than 170 ethnic groups live in the U.S.S.R. Of the total population, 72% are Eastern Slavs. More than 70% of the Slavs (but now less than one-half the total population) are Russians; the rest are Ukrainians and Belorussians, who live in the southwestern and western sectors of the European part of the U.S.S.R. The remainder of the population includes peoples belonging to Turkic, Finno-Ugric, Caucasian, other Indo-European, and less numerous ethnic groups including Eskimos. Although each group speaks its own dialect or language, Russian is the most widespread and is taught as a second language to non-Russians.

EDUCATION

Soviet children normally begin elementary school at age seven, following 1 or 2 (or more) years in state-operated nursery schools and kindergartens. The goal is to provide a compulsory 11 years of schooling for all children between the ages of 7 and 17. Most children receive 11 years of schooling, but in some smaller cities and particularly in rural areas, only 7-10 years of general schooling are offered.

School programs are governed by ministries of education in the various republics under the control and guidance of the national Ministry of Education, established in July 1966. The programs emphasize science, include the study of at least one foreign language (often English), and are permeated with political indoctrination. A limited number of elective subjects are being introduced in secondary schools on a trial basis for outstanding students. Otherwise, all students are expected to follow the same curriculum.

The Soviet Union also maintains an extensive network of vocational and professional schools, with classes lasting from 6 months to 2 years. These schools supply industry and agriculture with semiskilled and skilled

labor. In most cases, students enter vocational schools after 7-8 years of general school; present policy envisions eventually providing all vocational students with a general secondary education as well. In addition, schools and institutions providing semiprofessional and professional training are available. These generally require complete secondary education for admission. Graduates of the 2-5-year program become "middle-grade specialists."

A small proportion of 11-year-school graduates may enroll in an institution of higher learning. Admission is highly competitive and is based on academic records, entrance examination scores, and, to some extent, on social, political, and ethnic background. A higher educational institution may be either a university (a center of general studies normally with a 5-year program) or a more specialized institute (where the course may last 4-6 years). In either case, the curriculum is only slightly less rigid than that of the general secondary schools, and political indoctrination courses are required. The costs of higher education are paid by the state, and students are given small monthly stipends.

Upon completion of a university or institute course of study, most students go to work in areas and jobs specified by national planning authorities. Eventually, a few may return to do postgraduate work in preparation for the advanced degrees of candidate of sciences or doctor of sciences.

GEOGRAPHY

The U.S.S.R is the largest country in the world. Its territory stretches from the Baltic Sea across the northern Eurasian landmass to the Bering Strait, where an island belonging to the Soviet Union lies only 4.8 kilometers (3 mi.) from one that is part of Alaska. Most of the U.S.S.R is above 50 north latitude (Winnipeg, Canada lies on that latitude). The latitude of Moscow is the same as that of southern Alaska.

In the west, from the Pripet Marches near the Polish border to the Ural Mountains, Soviet territory stretches over a broad plain broken only by occasional low hills. Crossing this plain to the south are a number of rivers, the most important being the Dnieper, which empties into the Black Sea, and the Volga, which empties into the Caspian Sea. Between the Black and Caspian Seas lie the Caucasian Mountains.

The low Ural~~s~~ mark the traditional division between European and Asiatic Russia. To the east are the vast Siberian lowlands and the deserts of central Asia. Beyond are the barren Siberian highlands and the mountain ranges of the Soviet far east. Farther to the east lie the higher mountain ranges, including the Pamirs, Altai, and Tien Shan.

The climate of the Soviet Union, though varied, tends to have long, cold winters and brief summers. In parts of the eastern Siberian tundra, temperatures of -68C (-90F) have been recorded, and the January average is about -51C (-60F). South of the tundra is a large forest belt covering more than half the country.

South of the forests are the steppes (prairies), where the soil is rich and dark. In this zone are located the famous "black earth" or chernozem soils, some of the best in the world. However, this zone is hampered by its rainless climate and desiccating flows of hot, dry air, the famous Russian sukhovey, so that it is not as productive as some areas of the world with less fertile soils. The steppes make up 12% of the U.S.S.R.'s area and contain two-thirds of the arable land.

A small subtropical zone lies south of the steppes along the shores of the Black and Caspian Seas. To the southeast, in the deserts of central Asia, rainfall amounts in some places to only 10 centimeters (4 in.) per year.

HISTORY

Modern Russian history dates from March 1917, when, after pressuring Tsar Nicholas II into abdicating, representatives of the national legislature formed a provisional government. Like the Tsarist regime, the new government continued its participation in World War I, which led to widespread economic and social dislocation and popular discontent. On November 7, 1917, the government was overthrown by a revolutionary group known as the Bolshevik ("majority") wing of the Russian Social Democratic Party.

Vladimir Ilyich Lenin, leader of the Bolsheviks, was named head of the first Soviet Government. The new regime concluded the treaty of Brest-Litovsk with Germany and the other Central Powers on March 3, 1918 ending their participation in World War I. The Soviets declared all

land the property of the state, and a rapid succession of decrees nationalized factories, banks, railroads, and other sectors of the economy. A bitter civil war ensued, lasting until 1922. Britain, France, Japan, and the United States sent military forces to Russia but withdrew after it became apparent that the Bolshevik government would survive.

Lenin's death in 1924 intensified an intraparty struggle between groups led by Joseph Stalin, General Secretary of the Party, and his opponents, notably Leon Trotsky, Gregory Zinoviev, and Nikolay Bukharin. Stalin defeated his rivals in the late 1920s and later had them executed or assassinated. Untold numbers of other Soviet political, military, economic, and cultural leaders were imprisoned and many died in the purges of the 1930s. Over 11 million persons died in an artificially-induced famine from 1932-33 as part of Stalin's attempt to gain foreign exchange by selling grain abroad and subdue the Ukrainian peasantry. As many as 12 million others died during the period of the 1930's in labor camps. Throughout the period of the thirties, Stalin enforced a program of extremely rapid industrializaion, particularly in heavy industry.

In the interwar years, the Soviet Government tried to gain acceptance by other European countries. It succeeded only partially, however, because the Soviet-led third Communist International (Comintern), founded in March 1919, attempted through local communist organizations to undermine Western European governments. Soviet Russia was recognized by many European countries in 1924 and by the United States in 1933, but relations were strained.

World War II

In the spring of 1939, Stalin made overtures to Nazi Germany, and in August of that year, the Molotov-Ribbentrop pact was signed. This two-year nonaggression treaty included secret provisions for the division of Poland, Romania, Estonia, Latvia, and Lithuania.

Nazi Germany invaded Poland on September 1, 1939, and the Soviets followed on September 17. The Soviet Government then abrogated its nonaggression pact with Finland and invaded in November 1939. Although there was surprisingly strong Finnish resistance, the Soviets prevailed by virtue of overwhelming numbers. Peace negotiations concluded on March 12, 1940 led to the cession of a large part of eastern Finland to the USSR.

In June 1940 the territory of the Baltic States was forcibly incorporated into the Soviet Union. The United States does not recognize the Soviet annexation of the Baltic States. In July, the USSR also forcibly annexed two eastern provinces of Romania, Bessarabia and northern Bukovina.

Hitler turned on his newfound ally and invaded the USSR on June 22, 1941. German troops advanced as far as Moscow before being driven back. Four years of fighting and heavy casualties left widespread devastation in the European part of the Soviet Union. Seven and one half million Soviet soldiers and up to 20 million Soviet civilians perished in the conflict. However, as a result of its victory, the Soviet Union assumed the dominance of Eastern Europe. Protection of this position and enforcement the division of Germany have been fundamental tenets of Soviet foreign policy since 1945.

To engender patriotic support for the war, in an appeal to tradition and nationalism, Stalin permitted certain noncommunist elements of Russia's prerevolutionary past, such as the church, to play a larger role in society. Postwar reconstruction, however, brought a return to the oppressive policies of the 1930s.

Post War Period

Profound differences over the postwar order in Europe led almost immediately to a deep chill in relations between the Soviet Union and the western powers. The United States responded with a policy of "containment" vis-a-vis the Soviet Union, which in turn led to the Marshall Plan to rebuild Europe, and the development of the NATO and Warsaw Pact alliance systems. The victory of communist forces in China in 1949, and the Soviet-sponsored invasion of South Korea by North Korea in June 1950 led to a further deterioration in East-West relations.

Stalin died on March 5, 1953. As his successors maneuvered for power, they modified some of the more repressive aspects of the regime but did not alter its totalitarian structure. Nikita S. Khrushchev, installed as First Secretary of the Communist Party in September 1953, consolidated his power when he defeated an attempt by G.M. Malenkov, V.M. Molotov, and others to unseat him as party leader in June 1957.

In a secret speech to the 20th Party Congress in February 1956, Khrushchev denounced Stalin as a despot who had sacrificed much of the party's best talents through misdirected purges and mistaken military tactics. "Destalinization" was accompanied by the introduction of certain reforms into the political system and under Khrushchev's leadership, the principle of "peaceful coexistence" with the West was developed. Party rule remained supreme, but some discussion and controversy within the party was permitted. Khrushchev was ousted in October 1964. Although the Soviet news agency TASS announced that he had resigned because of poor health and advanced age, later report confirmed the fact that his former associates had opposed his manner of exercising power. Aleksey Kosygin became Chairman of the Council of Ministers, while Leonid Brezhnev was made First Secretary.

Brezhnev's Leadership

Brezhnev emerged from the 24th Party Congress (March-April 1971) as first among equals in a collective leadership. The new leadership's desire to build a more solid, institutional consensus for policy decisions was shown in April 1973, when heads of the army, secret police, and foreign ministry were given full membership in the ruling Politburo. Official actions under this leadership reflect the sharing of power among leaders reluctant to permit significant changes in the internal or external political status quo. Although some attempt has been made to repair the damage inflicted on Stalin's image during the Khrushchev era, there has been no return to the mass terror of the Stalin period.

In the early 1970s Soviet relations with Western countries improved and trade with the West expanded. Several arms control agreements, the cornerstone of which was SALT I (1972), were concluded with the United States. For a brief period in the mid-1970s it also appeared as if internal controls were easing with the emergence of dissidents in large numbers, Brezhnev's signing of the Helsinki Final Act and vastly increased emigration. These opportunities were closed off, however, by growing Soviet economic problems, internal weakness in the Soviet leadership, a gradual tightening of internal controls, and more aggressive Soviet arms buildup and foreign policies. The invasion of Afghanistan in 1979, the failure of the U.S. to ratify SALT II, and the suppression of Solidarity in Poland in the early 1980s led to a renewed chilly period in East-West relations.

Present Leadership

Following the death of Brezhnev in November 1982, Yuriy Andropov, former Chairman of the KGB, became General Secretary. Andropov initiated a campaign to eliminate corruption and began to chart a new program of economic reform. He was seriously ill, however, for most of his 15-month tenure, and did not live long enough to implement fully his new policies. East-West relations deteriorated further under his brief tenure with the suspension of the START and INF talks, the tragedy of Korean Air Lines flight 007, and other harmful developments. When Andropov died on February 9, 1984, the Politburo selected Konstantin Chernenko, 72, to succeed him as General Secretary. Chernenko also proved to be in ill health, and died after barely a year in office. To succeed him, the Politburo promptly on March 11, 1985 chose Mikhail Gorbachev, 54, beginning the transfer of power to a new generation.

GOVERNMENT

In the Soviet system, ultimate power is exercised by the leaders of the Communist Party. The party imposes its will through a government apparatus patterned superficially after Western political democracies but with little real separation of powers. Government functions are dictated by the party, whose hegemony is explicitly acknowledged by the constitution. The party makes state policy and supervises its implementation, and party influence and power pervade all phases of life.

One of the major tools at the party's disposal to maintain its hegemony is the KGB, or Committee for State Security. This organization not only conducts intelligence operations abroad but also, through networks of agents and informers, keeps careful check on the political reliability of Soviet citizens at home and abroad. The KGB has modified its role since the death of Stalin, but its presence is still felt by all Soviet citizens.

Since Stalin's death, many of the most infamous forced labor camps have been closed and the number of political prisoners reduced significantly. The camps continue to function, however, and since 1966, increased publicity has been given to political trials and the sentencing of prominent dissident intellectuals and representatives of disadvantaged national minority groups.

The Party

The Communist Party of the Soviet Union has a membership of more than 16 million, or about 6% of the total population. Party membership is the main avenue to positions of real authority in the Soviet system. Bound by rigid discipline, party members are expected to carry out faithfully those policies set by the party leaders.

The most powerful policymaking organ of the Communist Party is the Politburo of the party's Central Committee. The Politburo has 13 members and 5 candidate members. The Secretariat of the party's Central Committee provides day-to-day executive and administrative direction for the entire party machine. Together, the Politburo and Secretariat constitute the real seat of power in the Soviet Union. The General Secretary (head of the Secretariat) traditionally holds the top position in the Soviet Communist Party.

In theory, the Politburo and Secretariat are accountable to the party's Central Committee. In fact, however, the Central Committee is largely a forum for presenting party policy to the most important members. Normally, it gives party policies unanimous approval. It is not in a position to initiate policy, although on rare occasions the Central Committee has been called on to mediate a serious deadlock which has developed within the Politburo.

According to party statutes, the Central Committee should meet twice yearly. It met rarely in Stalin's time but more frequently under Khrushchev and Brezhnev. The membership includes 303 full members and 135 candidates.

The Party Congress is, theoretically, the highest authority of the party. Party statutes call for a congress to be held every 5 years. The 26th Congress met in February-March 1981, while the 27th Congress will convene in February, 1986. Like the role of the Central Committee, the real role of the Party Congress is to give approval to policies set by the party leaders and to provide these policies with an aura of legitimacy. The Party Congress is also a forum for listing past achievements and describing future tasks.

Government Apparatus

The party operates through a government apparatus which has little independent authority. The legislative organ is the Supreme Soviet, theoretically the highest state authority in the Soviet Union. It has two equal houses--the Council of the Union, with 767 members elected on the basis of population, and the Council of Nationalities, with 750 members elected on the basis of territorial units. Elections are called for every 5 years. Only one deputy, approved by the party, runs from each constituency.

Between the semiannual sessions of the Supreme Soviet, which last approximately 4 days, formal power is vested in the Presidium of the 36 member Supreme Soviet. Its Chairman is chief of state. Andrey A. Gromyko assumed the position of Chairman of the Supreme Soviet on July 2, 1985. The Supreme Soviet formally names the Council of Ministers, the highest executive organ and most important part of the government structure. Under party direction, it supervises the work of the ministries and other governmental bodies. The Chairman of the Council of Ministers is equivalent to Prime Minister.

Soviet Republics

Party and government organizations in each of the 15 constituent union republics are patterned after the central party and government organizations and are subject to direction from Moscow. The constituent union republics are: Armenia, Azerbaijan, Belorussia, Georgia, Kazakhstan, Kirgizia, Moldavia, Russian Soviet Federated Socialist Republic, Tadzhikistan, Turkmenistan, Ukraine, Uzbekistan, Estonia, Latvia, and Lithuania. The United States does not recognize the forcible incorporation of the last three into the U.S.S.R. The United States maintains diplomatic relations with representatives of the pre-1940 governments of Estonia, Latvia, and Lithuania (the Baltic States).

Principal Government Officials

Communist Party Politburo:

Geydar A. Aliyev
Mikhail S. Gorbachev
Viktor V. Grishin
Andrei A. Gromyko
Dinmukhamed A. Kunayev

Nikolay I. Ryzhkov
Vladimir V. Shcherbitskiy
Eduard A. Shevardnadze
Mikhail S. Solomentsev
Nikolay A. Tikhonov
Vitaliy I. Vorotnikov

Candidate Members:

Petr N. Demichev
Vladimir I. Dolgikh
Vasilii V. Kuznetsov
Boris N. Ponomarev
Sergey L. Sokolov

Communist Party Secretariat

Mikhail S. Gorbachev (General Secretary)
Yegor K. Ligachev
Nikolay I. Ryzhkov
Vladimir I. Dolgikh
Boris N. Ponomarev
Konstantin V. Rusakov
Boris I. Yel'tsin
Lev N. Zaykov
Mikhail V. Zimyanin
Ivan V. Kapitonov

Government Officials

Chairman, Presidium of the Supreme Soviet-- Andrey A. Gromyko
First Deputy Chairman, Presidium of the Supreme Soviet -- Vasilii V. Kuznetsov
Chairman, Council of Ministers--Nikolay A. Tikhonov
First Deputy Chairmen, Council of Ministers--Geydar A. Aliyev, Ivan V. Arkhipov
Chairman, State Planning Committee--Nikolai K. Baybakov
Minister of Foreign Affairs--Eduard A. Shevardnadze
Minister of Defense--Sergey L. Sokolov
Ambassador to the United States--Anatoly F. Dobrynin
Ambassador to the United Nations--Oleg A. Troyanovskiy

The Soviet Union maintains an Embassy in the United States at 1125 16th Street N.W., Washington, D.C. 20036 (tel. 202-628-8548). The Embassy's consular office is at 1825 Phelps Place, NW., Washinton, D.C. 20008. A Soviet Consulate General is at 2790 Green Street, San Francisco, Calif. 94123 (tel. 415-922-6642).

ECONOMY

The Soviet Union is the world's second-ranking industrial power. Western observers estimate Soviet gross national product (GNP) for 1983 at about \$1.84 trillion and per capita GNP at about \$6,765.

Once an underdeveloped peasant society, the U.S.S.R. has made considerable economic progress since the Bolshevik revolution in 1917, largely by forcing the pace of basic industrialization. However, the high priority given heavy industrialization has meant a serious neglect of the consumer sectors of the economy.

The Soviet economy is largely self-sufficient with a broad industrial base. However, except in such top-priority sectors as defense and space, Soviet technology lags well behind the West. The Soviet economic system historically has been resistant to technological innovation, largely because of the emphasis on large-scale industrial expansion. The system places a premium on high quotas and the quantity of production, generally at the expense of quality. Similarly, in contrast to a competitive market economy with its strong incentive to innovate and develop new technologies, the bureaucratically mired and overcentralized Soviet system tends to stifle innovation.

Despite a relatively low rate of technological progress, the Soviet economy maintained high growth rates until the mid-1970s. Economic growth has been one of the leadership's top priorities and has been maintained largely by high rates of capital investment in industry, coupled with ever-growing numbers of industrial workers. Much of this expanding labor force has come from workers leaving rural and agricultural areas. The share of production and profits devoted to reinvestment has always been high, thus fostering rapid expansion in the number of plants and equipment. Capital investment consistently has risen faster than GNP as a whole; as a percentage of GNP in 1983 it was 34%, compared to 24% in 1960.

Although still reasonably fast by Western standards, Soviet economic growth has decelerated. The average annual rate of GNP increase was about 6% in the 1950s, slipped to about 5% in the 1960s, and fell below 4% in the 1970s, and has remained between 2 and 3% in the 1980s. Declining growth rates stem largely from declining growth in industry, which in turn has resulted from a drop in the productivity of capital and falling growth rates in labor productivity. Evidence is strong that worker alienation, as evidenced by widespread alcoholism, is the major factor in labor productivity. Soviet leaders emphasized productivity for the 11th 5-year plan (1981-85) since extensive growth based on an abundance of other inputs is no longer possible. Economic experiments, such as broader managerial rights, labor brigades, and wages based on final output, are currently underway in several industrial ministries.

Shortages of skilled labor are another growing problem for Soviet industry. Increasing shortages in the European U.S.S.R. contrast greatly with the abundant labor pool in Central Asian U.S.S.R. Not only will natural growth in the labor force drop from about 2 million persons per year in the 1970s to about 400,000 by the mid-1980s, but nearly all of the 400,000 will come from the less-skilled and less-mobile populations of Central Asia and Transcaucasia. This will compound the problem further for industry concentrated in the European U.S.S.R.

Although it has expanded at a faster rate than GNP as a whole, growth in capital investment has been declining since the 1960s. The 1981-85 plans intended for capital investment to increase no faster than GNP as a whole. In 1983, however, capital investment increased at a rate of more than 4%, while GNP grew at a rate of only 3%.

The expansion of Soviet trade with the West over the past decade and a half has stemmed largely from hopes of achieving technological progress through large-scale imports of Western technology. However, increased imports from the West by themselves cannot bring about the modernization and increased efficiency that the Soviets seek. A long-standing resistance to innovation in the Soviet system impairs the efficient adoption of imported technology. Efficiency can best be enhanced by the solution of other problems endemic to the Soviet system. These include "storming" (irregular production schedules with a last-minute rush to fill quotas), hoarding of inventories (because of unreliable delivery), pricing of goods that does not properly reflect real costs, inflexible plans and quotas, and political interference in enterprise management and decisionmaking.

To a considerable degree, the inefficiencies of the Soviet economy are a result of the U.S.S.R.'s highly centralized, bureaucratic planning and administration. The Communist Party leadership makes basic economic decisions that are incorporated into plans covering virtually every aspect of the economy. Though the much-heralded 5-year plans set general outlines for development, the annual plans are considerably more significant for the actual operation of the economy. Much of the planners' control is executed through the allocation of resources.

Industrial and commercial enterprises are state owned and operated. Government control of the economic system is reinforced by financial and accounting controls. The

state controls the budget, the banks, and the accounting and statistical systems. The largest sources of state revenue are the taxation of enterprise profits and the "turnover tax," a sales tax levied on all transactions of consumer goods and services. Direct income taxes provide less than 10% of the government revenue.

While most of Stalin's rule saw an overwhelming orientation toward heavy industry, the years following his death in 1953 saw a significant economic reorientation. Khrushchev did not abandon the priority given heavy industry, but he put more emphasis on improving living standards. The Brezhnev, Andropov, and Chernenko regimes have continued this trend; agricultural investment, consumer goods, and housing development have all been expanded in an attempt to improve the lives of Soviet citizens.

The results of the 10th 5-year plan (1976-80) were disappointing. Though supposedly more realistic and moderate than earlier plans, several of the plan's major goals were not reached. Transportation problems and inadequate supplies of raw materials and intermediate goods impeded growth. Shortfalls in the production of key industrial commodities -- especially steel, oil, coal, construction materials, and chemicals -- were particularly serious. Although production shortfalls are common in the Soviet economy, the 1979-80 problems were unusually severe and reflect the Soviet economy's endemic problems. In addition, bad weather contributed to poor harvests in 1979 and 1980 -- unprecedented in recent Soviet history -- leaving the agricultural sector in disarray and dashing consumers' hopes of a significant improvement in diet.

11th Five-Year Plan (1981-85)

The planned 4% annual growth rate, substantially above that achieved during the last 5-year plan, is unrealistically high. In 1981 and 1982, the GNP increased by 2.1% and 2.6% respectively. Due to improved weather conditions, increased labor discipline, and additions to production capacity, the growth rate reached 3% in 1983 and was expected to match that rate in 1984.

The plan places the greatest emphasis on developing heavy industry and agriculture, with the highest growth targeted for military-related branches of industry. Although the directives contain much rhetoric on the need to boost living standards, few gains in consumption have

materialized.

The guidelines of the present 5-year plan contain nearly 50% less statistical data than previous plans, suggesting delays, uncertainties, and possible conflicts among Soviet decisionmakers.

To meet their ambitious targets, Soviet leaders are calling for stricter discipline and increased efficiency for workers and managers. Science and technology are also to be given an expanded role in boosting the productivity of labor and other resources. Without an acceleration in growth of productivity to offset the slower growth in the skilled labor force, Soviet economic growth will continue to fall.

Resources

Within its vast expanse of territory, the U.S.S.R. has a generous endowment of most natural resources. Energy resources, fuel, and hydroelectric power are estimated to be at least 25% of the world's total, but their extraction and utilization is hampered by difficult terrain and inhospitable weather. While the most easily accessible energy resources become exhausted, the Soviets are turning increasingly to Siberian minerals and energy deposits, which are difficult and costly to exploit. Although oil and coal production have peaked, natural gas and nuclear energy have significant growth potential in the near future. Soviet timber and manganese resources are the largest in the world. The U.S.S.R. also has ample supplies of lead, zinc, nickel, mercury, potash, and phosphate. It lacks a large domestic reserve of only two major minerals, tin and uranium. Despite the wealth of energy resources, energy conservation is becoming increasingly important due to high energy prices and tightening supplies of oil and coal.

Trade

Total Soviet foreign trade amounted to \$172 billion in 1983 -- \$91.7 billion in exports and \$80.4 billion in imports. Of this \$172 billion, 56% was with other communist countries, mainly with the six East European members of the Council for Mutual Economic Assistance (CEMA): Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania. The Soviet Union exports primarily fuels and raw materials. Soviet imports

are primarily machinery, industrial equipment, and manufactured consumer goods. The Soviets are pressuring CEMA partners to increase exports to the U.S.S.R. to reduce the Soviet trade surplus with them. Higher oil prices accounted for a large part of the increase in value of Soviet exports to CEMA countries in 1983. Soviet trade with China doubled in 1983 to reach \$650 million, the highest level of Sino-Soviet trade since 1960.

In 1983, 14% of Soviet trade was conducted with noncommunist developing countries. Trade with these countries consists typically of exports of Soviet machinery and equipment, often associated with economic aid projects, in return for agricultural raw materials, foodstuffs, and some light manufactured goods. In recent years, half or more of Soviet deliveries to these countries have been military goods.

The remaining 30% of 1983 Soviet trade was with the developed Western countries. This percentage was down from 32.6% in 1981 and largely reflected a 25% cut in purchases from the United States and Japan in 1983. Imports from the United States fell because of a decline in agricultural purchases as the U.S.S.R. enjoyed an improved grain harvest in that year. The drop in imports from Japan reflected reduced purchases of steel pipe and machinery. In contrast, Soviet trade with Western Europe continued to rise with machinery imports increasing by 15% as the U.S.S.R. continued to purchase Western technology needed to modernize its economy. The Federal Republic of Germany remains the U.S.S.R.'s leading Western trading partner, with Finland, Italy, and France following closely behind. U.S.S.R. imports from the United States, exceeding \$2 billion in 1983, consisted primarily of wheat, corn and phosphoric acid, which is used primarily for the production of fertilizer. U.S.S.R. exports to the United States in 1983 totalled \$445 million and included gold, platinum, ammonia, and oil.

The Soviet hard-currency trade deficit for 1983 was down to \$1.3 billion. Oil exports, which currently account for 60% of Soviet hard-currency exports, increased in volume by 15% in 1983. In addition, better harvests in 1983 helped the Soviets cut back on grain imports.

The Soviets have been able to finance their hard-currency trade deficits through borrowing, gold sales, and earnings from other components of the balance of payments. However, in order to preserve its excellent credit rating, the U.S.S.R. will probably exercise some

restraint with respect to nongrain imports. In the short term the Soviets will be under great pressure to maintain oil production, which will become increasingly difficult and expensive, in order to keep up hard-currency earnings. Any significant drop in oil production would confront the Soviets with the hard options of reducing hard-currency exports to the West, lowering deliveries to Eastern Europe or squeezing domestic consumption. Over the longer term the Soviets plan to increase exports of natural gas as a hard-currency earner, which should compensate for the anticipated decline in oil exports.

Agriculture

Despite increased investment and a rise in farming incomes, agriculture remains the Soviet Union's greatest economic problem. Harsh and unpredictable weather have added to the U.S.S.R.'s major shortcoming, namely, the failure to introduce efficient management practices and technologies needed to stimulate and boost production. The U.S.S.R. has about 60 million square kilometers (2.3 million sq. mi.) of arable land and pasture. However, much of this land is poor by Western standards. Sown crops occupy only 10% of the total land area.

Agriculture is organized into about 28,000 collective farms (average area is 64 sq. km. or 25 sq. mi.) and 18,000 state farms (average area is 194 sq. km. or 75 sq. mi.). State farms operate as "agricultural factories" on which farm workers are paid wages. Theoretically, collective farms function like cooperatives, although decisionmaking is more centralized. On state and collective farms, workers and peasants are permitted the use of small, private plots. Although they account for only 3% of the total sown area, these plots produce 33% of the country's meat, milk, eggs, and vegetables, and 66% of its potatoes. However, in the production of livestock products, the small private sector depends heavily on state and collective feed supplies. When shortfalls have occurred, as in 1972, 1975, 1979, and 1980, the government has announced increased support for private agriculture.

In 1983, investment in agriculture accounted for 27% of the total investment. In particular, investment in fertilizer facilities, storage and refrigeration facilities, and farm machinery increased as part of a plan to increase investment in industries that directly support agriculture. In 1983 gross agricultural output rose by 5%, reaching a new all-time high. The livestock sector performed particularly well as a result of strong emphasis given by the leadership to the building of herds. Meat and milk output reached new records as well.

A recent Soviet agricultural goal has been to increase meat supply to improve the diet and standard of living of the Soviet population. However, their targets have not been reached. In 1983, meat supply increased only slightly to 51.7 kg. per capita. To meet the Soviet goal of 85 kg. per capita in 1990 will require large, stable, domestic grain production in addition to imports, as well as increased use of feed protein. Given the continued inability of the farm sector to produce sufficient amounts of grain to support the ambitious goals of the meat program, demand for imported grain is likely to remain high.

The overall outlook for the Soviet economy for the remainder of the 1980s is for continued growth, although probably at increasingly modest rates. Labor shortages will place a premium on increased productivity, however, ingrained worker attitudes and probable continued reluctance by the leadership to risk the uncertainties of meaningful economic reform will make productivity breakthroughs unlikely. The exports of oil and increasingly natural gas should continue to be the chief earners of hard-currency for the Soviets, while Soviet manufactures, with the exception of chemicals, are likely to remain non-competitive in Western markets. If energy sales falter, it would not be surprising to see the Soviets step up borrowing in Western Europe in order to help meet hard-currency needs. Bilateral trade between the United States and the Soviet Union is likely to continue to be a modest proportion of both countries' overall foreign trade. If, as it appears, large scale U.S. grain sales continue, U.S. exports to the Soviet Union should exceed imports from the U.S.S.R. by a sizable amount.

DEFENSE

The Soviet Union maintains large and growing military forces. It is estimated that the Soviets spend between 11% and 14% of their GNP on defense, compared to 5% by the United States.

The Armed Forces of the U.S.S.R. number more than 4.4 million members. Men are legally required to serve in the armed forces, although deferments and exemptions may be granted in special cases. Modern mechanized ground forces are well equipped with tanks. The Soviet Navy is the largest in the world, and the Soviets possess an arsenal of strategic missiles.

The Soviet Union dominates the Warsaw Pact, established in 1955. The alliance joins the U.S.S.R. and its East European allies -- Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania. A Soviet officer heads the Pact's joint command.

FOREIGN RELATIONS

Three broad, interrelated areas of Soviet foreign policy concern are the West, the Third World, and the communist world.

Detente has been a feature of declaratory Soviet foreign policy toward the developed, capitalist world since the early 1970s. In its relations with the West, especially Western Europe and Japan, the Soviet Union has modified its hostile attitude and has sought to insulate its relations with these regions from the impact of its more assertive policies in the developing world. At the same time, it has sought to portray the United States as responsible for the rise in world tensions that has accompanied the U.S.S.R.'s continuing arms buildup and Soviet and proxy interventions in such local conflicts as Ethiopia, Angola, and Afghanistan.

Within the communist world, the Soviet Union has tried with varying degrees of success to maintain the monolith of international communism. Communist-ruled countries have resisted, and in some cases defied, Soviet authority and control, and nonruling communist parties are less subservient to Moscow's direction. In Eastern Europe, economic difficulties in Poland spawned the Solidarity labor movement which was put down only by the declaration of martial law by the Polish military in 1981. Other Warsaw Pact countries such as Romania, and to a limited extent the German Democratic Republic, have also sought to improve their relations with the West both economically and politically.

Berlin

After World War II, Berlin was made a separate area under Four Power (United States, United Kingdom, France, and U.S.S.R.) control. It is still under this quadripartite responsibility. Soviet claims to have turned over responsibility for their sector to the German Democratic Republic have never been recognized as legal by the other governing powers.

Berlin was a constant focus of East-West crises because of Soviet attempts to use the city, located more than 160 kilometers (100 mi.) inside the communist-controlled portion of Germany. By the late 1960s, both sides were ready to attempt to end these confrontations. In mid-1969 the three Western powers, with the Federal Republic of Germany's (F.R.G.) support, approached the Soviet Government with a proposal for negotiations.

Begun in March 1970, the negotiations resulted in September 1971 in the Quadripartite Agreement on Berlin, which was brought into effect in June 1972. This agreement embodied Soviet commitments to permit unhindered access to Berlin, to provide for improved movement and communications within the city, and to acknowledge F.R.G. ties with West Berlin and the F.R.G.'s right to represent West Berlin abroad.

Although implementation of the Berlin agreement has not been without difficulties and disagreements, it has to date resulted in containment of the Berlin crisis.

Japan

Soviet relations with Japan have been strained in recent years, in part because of failure to conclude a Soviet-Japanese peace treaty after World War II. Moscow participated in the San Francisco conference in September 1951 but refused to agree to the Japanese peace treaty concluded by other Allied powers. Soviet negotiations with Japan in 1956 ended in an impasse over the Northern Territories issue; Japan insisted that the treaty provide for the return of the four southernmost islands of the Kurile chain. The U.S.S.R. has refused to acknowledge the Japanese claim.

The build-up of Soviet military forces in the region and in the Northern Territories has raised new security concerns in Tokyo. Incidents such as the shooting down of the civilian jetliner KAL 007, the Soviet decision to tow a damaged nuclear submarine through Japanese waters despite Tokyo's protests, and occasional violations of Japanese airspace by Soviet military aircraft continue to strain the relationship.

In spite of these bilateral political tensions and Japanese economic countermeasures imposed in the wake of the Soviet invasion of Afghanistan, Soviet-Japanese economic relations continue to develop. Japan is involved in exploiting and consuming Siberian natural resources, including timber, coal, and oil, on a large scale.

European Security Conference

Progress in East-West relations, particularly the 1971 Quadripartite Agreement on Berlin and the 1970 treaty between the U.S.S.R. and the F.R.G., opened the way to the convening in 1973 of the Conference on Security and Cooperation in Europe (CSCE). The Final Act was signed in Helsinki by the heads of all European countries except Albania, as well as by the United States and Canada, on August 1, 1975. The accord covered principles of state conduct; "confidence-building measures" with respect to military maneuvers; cooperation in the economic, scientific, technical, and environmental areas; and freer human contacts and exchanges of information.

Differences between Soviet and Western compliance with the Final Act, particularly on human rights issues, have become an increasingly important issue in East-West relations and were a focal point of East-West clashes at the 1978 Belgrade CSCE Review Conference and the 1981 Madrid Conference. These issues may figure at CSCE follow-up meetings in Ottawa in May 1985 on Human Rights and in Bern in 1986 on Human Contacts.

Third World

Outside the communist sphere, post-Stalin foreign policy changes were most apparent in the Third World -- the developing countries and nations emerging from colonial rule. Under Stalin and the "two-camp" philosophy prevailing in his time, most of these countries tended to be lumped with the "imperialist" powers of the West as targets of communist struggle and subversion.

Stalin's successors soon altered this approach and chose the Third World as an area where the U.S.S.R. could change the global "correlation of forces" to the U.S.S.R.'s favor.

The 1956 20th Soviet Party Congress laid the theoretical justification for this policy. Instead of seeing the Third World states as natural allies of the Western "imperialists," Moscow perceived the Third World as a "zone of peace" and the political leaders there as potential "progressives" deserving Soviet support, especially in encouraging radical, nationalist, anti-Western sentiment. Communist parties were advised to follow tactics that would not embarrass Moscow in its efforts to establish good relations with Third World governments.

Moscow has never ceased to give at least vocal support to "national liberation struggles." In certain cases, notably in Indochina and Africa, Moscow has given substantial amounts of economic and military assistance. But Moscow went beyond its policy of support for "national liberation struggles" in late December 1979, when it invaded Afghanistan to uphold a shaky Marxist regime. The use of Soviet forces rather than proxy forces such as Cubans set a precedent in Soviet Third World policy.

Middle East

The Middle East is a region of major political, economic, and strategic importance to Moscow, because it lies close to the U.S.S.R.'s southern border, flanks NATO countries, and has the world's largest proven oil reserves.

The Arab-Israeli conflict provided the opportunity for Soviet entry into the area. Moscow took advantage of this opening in the mid-1950s by inaugurating a military and economic assistance program in Egypt. Exploitation of this regional conflict remained the key element in Moscow's growing presence and influence in the area throughout the three Arab-Israeli wars (1956, 1967, 1973). After the Soviets were evicted from Egypt in 1972, they continued to be the major supplier of arms and economic assistance to the hard-line Arab belligerents, as well as to other states in the area, and have, when necessary, ignored the anti-communist sentiments of many Arab governments there. Today Syria is the lynchpin of Soviet policy in the Middle East. After their defeat at the hands of the Israelis in the 1982 War in Lebanon, the Soviets resupplied them with military equipment even more advanced than that which they lost.

Soviet policy has attempted to exploit U.S.-Arab differences over Middle East settlement and to increase Soviet ties and influence in the area through Treaties of Friendship and Assistance with Iraq (1972), the People's Democratic Republic of Yemen (1979), and Syria (1980). However, Moscow has acknowledged Israel's right to exist as a state within its 1967 boundaries and has urged a negotiated settlement of the Arab-Israeli conflict on terms acceptable to its Arab allies and to the Palestine Liberation Organization (PLO).

The Soviet invasion of Afghanistan damaged the U.S.S.R.'s relations with Islamic countries and heightened concerns on the part of many regional states about Soviet

long-term intentions. The regional response to Afghanistan, the fall of the Shah of Iran, and the long stalemated Iran-Iraq war have probably been among the reasons for increased Soviet interest in a long-term security regime for the Persian Gulf.

Cuba

Cuba has played a special role in U.S.-Soviet relations. The surreptitious installation in 1962 of offensive nuclear weapons in Cuba represented an attempt to gain a quick, major improvement in Moscow's strategic position vis-a-vis the United States. This confrontation was resolved when, at President Kennedy's insistence and under a U.S. threat to blockade the island, the Soviets withdrew the weapons from Cuba and pledged not to reintroduce them.

Subsequently, Moscow's ties with Cuba grew stronger as the Soviets subsidized the Cuban economy and provided military assistance. Especially since 1975, Cuba's growing military capabilities and certain aspects of Soviet military activities in and around Cuba have been of concern to the United States and the subject of bilateral diplomatic exchanges with Moscow. The United States closely monitors all aspects of Soviet-Cuban military cooperation to ensure that U.S. interests are not threatened.

Politically, Cuban activity in other countries is periodically an issue in U.S.-Soviet relations. Cuban activities in Latin America in the 1960s, in Africa in the 1970s, and in Central America today have been irritants in U.S. relations with Havana and, to the extent such activities are encouraged or supported by Moscow, with the Soviet Union as well.

Eastern Europe

In the years immediately after World War II, the Soviet Union established communist regimes in the East European countries liberated by the Red Army and in Czechoslovakia with the help of a Soviet-inspired coup d'etat in February 1948. Yugoslavia, liberated by indigenous communist forces, resisted Moscow's control, maintained its independence and, with its expulsion from the Cominform in late 1948, was isolated from the Soviet bloc.

Stalin's death in March 1953 and his successors' efforts to find a more flexible and productive relationship with the communist-ruled countries of Eastern Europe encouraged those countries to a more assertive manifestation of their national interests and aspirations. The formation of the Warsaw Pact in May 1955 as a security and control mechanism did not halt this trend.

In addition to problems surrounding the expulsion of Yugoslavia from the Soviet-controlled system of East European states in 1948, Moscow has been confronted with a series of incidents of national disaffection, alienation, or domestic turbulence in Eastern Europe. These include:

The Berlin uprising on June 17, 1953 (suppressed by Soviet troops);

The rise to power of the Polish nationalist leader Gomulka in 1956;

The Hungarian uprising in October-November 1956 (suppressed by Soviet troops);

Albania's defection from the Warsaw Pact in 1960-61;

Romania's assertions of national independence from 1962 onward;

The Czechoslovak "spring" of 1968 led by nationalist leader Alexander Dubcek (suppressed by Soviet troops); and

The Polish "workers 'revolt" of December 1970, the Polish popular disturbances over food price increases in June 1976, and strikes by Polish workers in August 1980 leading to the establishment of the Solidarity independent trade and farm unions (suppressed by Polish military declaration of martial law in December 1981).

The record shows that the Soviets have not hesitated to use armed force, when practicable, to contain what they regard as dangerous manifestations of nationalism in Eastern Europe, but they have reacted with less harsh measures when expressions of nationalism were less dramatic or when local authorities have coped with the situation. The Soviet Union has two principal concerns in the maintenance of loyal communist regimes in Eastern Europe: the security of the approaches to the U.S.S.R.'s borders in the west and the ideological imperative to defend the communist system.

Sino-Soviet Relations

Moscow hailed the advent of the Chinese communists to power in October 1949 as a major accretion of the strength of international communism and moved quickly to cement relations with the new regime in Beijing with the conclusion on February 14, 1950, of a 30-year treaty of alliance and friendship. The Beijing regime disagreed with the policies of Stalin's successors, however, and differences between the two communist giants began to surface in the late 1950s.

In April 1960 these differences broke into the open with a thinly veiled Chinese theoretical attack on the international communist strategy formulated by the Khrushchev regime at the 1956 20th Soviet Party Congress. For the rest of the decade, Moscow and Beijing competed openly and intensely for influence throughout the world, particularly in communist-ruled countries, national communist parties, and the Third World. Sino-Soviet relations reached a nadir in March 1969 when the two countries fought over an island on their common border. Efforts to negotiate disagreements over the demarcation of the 6,760-kilometer (4,200-mi.) border, begun in 1964, have made no visible progress.

By the early 1970s, Sino-Soviet relations also reflected Soviet concern about China's steadily improving relations with the highly industrialized nations of Western Europe and Japan, especially after President Nixon's 1972 visit to Beijing.

In recent years, Sino-Soviet relations have demonstrated Beijing's greater assertiveness in its worldwide anti-Soviet campaign and the post-Mao drive for economic and military modernization. Moscow's friendship treaty with Hanoi, Soviet military support for Vietnam during China's invasion, the Soviet invasion of Afghanistan, and Beijing's failure to renew the Soviet-Chinese friendship treaty took the relationship to its lowest point in a decade. More recently the atmospherics of the relationship have improved, but with little prospect for significant real improvement in the near future.

International Communism

Moscow's repeated efforts at tightening organizational and ideological unity in the international communist movement have met increasing resistance. When the European Communist Party Conference (ECPC) met in Berlin in 1976, it gave a boost to pluralism within the communist

community by acknowledging each party's independence and its right to deviate from the Soviet model by taking national characteristics into consideration. This was in contrast to the world communist meetings convened in 1960 and 1965. Moscow, concerned with the problem of ideological orthodoxy in Eastern Europe, stresses the need for unity of the communist movement, while the Spanish, French, and Italian Communist Parties -- the "Eurocommunists" -- continue to assert their independence.

Basic Principles in the Conduct of U.S.-Soviet Relations

Since the Russian Revolution of 1917, the U.S.-Soviet relationship has evolved through several phases, including a period of minimal contact, a wartime alliance, "containment," and an intense cold war rivalry. In recent years, the high hopes of the 1970s for detente have given way to reassessment of this fundamentally adversarial relationship

The adversarial nature of U.S.-Soviet relations stems from several factors: the Eurasian location of the U.S.S.R., which places it in close proximity to U.S. interests; the Marxist-Leninist ideology of the Soviet regime, which gives its leaders a very different perspective from that of the West; and the absence of political freedoms in the U.S.S.R., which permits the Soviet leadership to conduct foreign policy without the domestic constraints known to democratic states. There are, however, strong incentives for U.S.-Soviet cooperation, foremost among which is the need to avoid nuclear war. The U.S. has therefore sought to engage the Soviet Government in constructive dialogue at all levels on the full range of issues which affect our two nations. Recent high-level contacts include President Reagan's September 28, 1984 meeting with Soviet Foreign Minister Gromyko and Vice President Bush's meeting in February 1984 with Soviet President Chernenko, and in March 1985 with newly elected General Secretary Gorbachev. Secretary of State Shultz and Gromyko met in Geneva on January 7 and 8, 1985 to discuss ways to negotiate agreements on nuclear forces. The result of these talks was agreement to conduct talks on strategic weapons, beginning in March 1985.

Because of the American military deterrent, the U.S.S.R. has avoided direct aggression against the United States and its allies. Nonetheless, the United States has been concerned by certain Soviet actions in recent years, including:

- A continuing quest for military superiority;
- The occupation of Afghanistan by 115,000 Soviet troops;
- The unrelenting effort to impose an alien Soviet "model" on nominally independent Soviet clients and allies, particularly Poland;
- Harsh suppression of human rights within the Soviet Union; and
- Violation of certain treaties and agreements and "stretching" the letter of others.

To manage relations with the Soviet Union, the United States has constructed a policy based on three principles: realism, strength, and dialogue. Our dealings with the U.S.S.R. must be grounded in a realistic appraisal of Soviet strengths and objectives: we must not overstate the Soviet challenge, but neither can we overlook the potential dangers. If the United States intends to counter Soviet objectives, it must have the necessary strength -- military, economic, and social -- to do so. The U.S. strongly prefers resolution of differences through negotiation, however, and we have conducted a broad dialogue designed to develop peaceful solutions to our problems, and to encourage the U.S.S.R. to live up to its international obligations.

The U.S. is committed to maintain the military balance against the U.S.S.R. through our own and allied defense programs and, where possible, through mutual and verifiable arms reduction. To counter the Soviet use of force and the threat of force in its foreign policy, we have made clear that we will resist encroachment on our vital interests and those of our allies and friends. In Europe, the allies remain united on the need to counter Soviet missile deployments: the first deployments of Pershing II and ground-launched cruise missiles have proceeded on schedule. We also are continuing our efforts to upgrade NATO's conventional forces. To deter threats to vital interests outside Europe, we are developing the ability, with allied support, to move forces rapidly to key areas of potential instability such as Southwest Asia. In the Western Hemisphere, the determination of the United States and its friends to resist destabilization of democratic countries in Central America remains firm. The U.S. is also working to restrict Soviet expansion by responding positively to the problems of developing nations and by working to strengthen democratic institutions worldwide.

The U.S. desires a more stable and satisfactory relationship with the Soviet superpower. Prime U.S. goals vis-a-vis the U.S.S.R. include:

- Respect for the human rights of Soviet citizens;
- Verifiable reductions in nuclear arms;
- Cessation of Soviet interference in the affairs of sovereign states; and
- Improvement in people-to-people, economic and other bilateral relations based on reciprocity and mutual interest.

The United States does not threaten the Soviet Union. The United States does not accept difficult U.S.-Soviet relations as an unchangeable state of affairs, and is working to build cooperation with the U.S.S.R. instead of confrontation. While we are keenly aware that important differences will persist and that the relationship will continue to be adversarial, we also believe that cooperation is possible in a number of areas. The United States continues to hope that the Soviet government will join in a vigorous effort to achieve concrete results in areas of constructive cooperation between our two nations.

Arms Control and Disarmament

U.S.-Soviet agreement has made possible several multilateral arms control measures:

The 1961 Antarctic Treaty, providing for the peaceful use of that continent;

The 1963 Limited Test Ban Treaty, prohibiting tests of nuclear weapons in the atmosphere, in outer space, and under water;

An October 1963 UN Resolution, elaborated in January 1967, prohibiting the stationing in outer space of objects carrying nuclear weapons;

The Nuclear Nonproliferation Treaty, signed on July 1, 1968;

A treaty entered into force in May 1972 banning the emplacement of weapons of mass destruction on the seabeds;

An international convention signed in April 1972 barring the development, production, and stockpiling of bacteriological weapons and toxins; and

A treaty signed in May 1977 prohibiting hostile use of environmental modification techniques.

In addition, the United States and the U.S.S.R. have signed bilateral agreements on nuclear testing and strategic arms. The July 1974 Threshold Test Ban Treaty prohibits tests of underground nuclear weapons having a yield exceeding 150 kilotons, and a May 1976 treaty governs underground nuclear explosions for peaceful purposes.

The first strategic arms limitation talks (SALT I) resulted in the signing of two agreements on May 26, 1972: a treaty limiting antiballistic missile systems and an interim agreement limiting certain strategic offensive arms for a period of 5 years. These agreements set the stage for the second round of SALT, which culminated with signature of the SALT II Treaty in Vienna in June 1979. President Carter asked that the treaty be withdrawn from consideration by the Senate in the wake of the Soviet invasion of Afghanistan.

Strength and realism deter Soviet aggression, but direct negotiations with the U.S.S.R. are necessary as well to ensure peace. The U.S. and the U.S.S.R. have engaged in negotiations on a wide range of topics, including talks on intermediate-range nuclear forces (INF) and on strategic arms (START). At the end of 1983 the U.S.S.R. suspended negotiations on these crucial topics, but in early 1985 agreed to further arms discussions. On June 29, 1984 the U.S.S.R. proposed talks on the "militarization of outer space," and the U.S. responded promptly and positively. The Soviets at that time refused to accept the positive U.S. response, but in early 1985 likewise agreed to further talks on this subject. In non-nuclear areas, the United States has advanced several far-reaching proposals, including a complete ban on all chemical weapons, a variety of non-nuclear confidence-building measures, and substantial cuts in conventional force levels in Europe.

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TRAVEL NOTES

Climate and clothing -- The climate of the USSR is as varied as that of the US. Winter travelers to European areas of the USSR should bring their warmest clothes, boots, and hats. Public buildings, hotels, and homes are well heated, however. Hot weather generally occurs from June through August; Moscow summer temperatures often into the 30s C (90s F) and lightweight clothing is suitable. Spring and early fall are unpredictable--snow flurries and temperatures in the mid-20s C (80s F) are both possible in May and September.

Customs and visas -- A valid Soviet entry/exit visa is required of all US travelers to the USSR. Tourists, business people, and persons attending conferences or conventions in the USSR should arrange their travel through one of the many US or European travel agencies accredited by Intourist, the official Soviet travel agency. In addition to arranging all travel and hotel accommodations (which must be paid for in advance), the travel agent makes arrangements for visas.

A customs declaration must be completed on arrival, and baggage and personal effects are often examined closely by customs inspectors. No Soviet currency may be brought into or taken out of the USSR, and all other currency and valuables must be declared. The declaration, stamped by Soviet customs authorities, must be retained by the traveler and presented upon departure. Understating or not declaring currency or valuables can lead to confiscation. Currency exchange may only be carried out by official Soviet Government agencies, and all receipts should be kept by the traveler. All offers to exchange money on the street or to buy personal clothing or other items should be refused; they violate Soviet law.

Soviet customs authorities often confiscate religious objects or publications, particularly if the traveler has more than one or two such items. Pornography and anti-Soviet publications may also be confiscated. Soviet authorities are extremely sensitive to attempts to bring in marijuana or narcotic drugs or to take out correspondence or other items for Soviet citizens.

Health -- Adequate medical care is available in the larger cities, although some common medications are not. Methods of treatment and facilities often differ from those to which Americans are accustomed. Travelers needing medical care should ask their hotel service bureau or their

Intourist guide to direct them to the proper facility. Medical treatment is provided to foreigners without charge under most circumstances. No immunizations beyond those normally kept current in the US are required of travelers to the U.S.S.R.

The US Public Health Service has noticed that many US visitors to the USSR, and particularly to Leningrad, have returned to the US infected with the intestinal parasite giardia lamblia. The infection is probably contracted by consuming tapwater, or ice or drinks made from tapwater. It might also be transmitted by cold foods, such as salads. Bottled water presumably is free from infection.

Telecommunications -- International telephone and telegraph service is available throughout the U.S.S.R., although travellers may encounter difficulty in placing international telephone calls. Direct dial telephone service between the Soviet Union and many Western countries was suspended by Soviet authorities in September 1982, and has been only partially reinstated under restricted conditions. Moscow is eight time zones ahead of Washington, D.C.

Transportation--Daily international flights are available from Moscow, Leningrad, and other major Soviet cities to major cities in Europe. Direct flights generally are available to New York and Washington, D.C.

Internal intercity transport is usually by plane (the Soviet Government airline, Aeroflot) or train. Most trains are comfortable and clean. The major Soviet cities -- Leningrad, Moscow, Kiev, and others -- have subways and bus transportation. Taxis are difficult to obtain, and taxi drivers generally do not understand foreign languages.

SOVIET ECONOMY

Although facing a formidable array of problems, the Soviet Union has the world's second-ranking economy. Soviet gross national product (GNP) is estimated for 1983 at \$1.84 trillion (roughly 55% of US GNP), with a per capita GNP at about \$6,765 (US per capita GNP was \$14,120). It is largely self-sufficient with a broad industrial base, but vis-a-vis other industrialized countries, it lags rather far behind technologically and does not innovate or assimilate borrowed technology well. Exceptions to this are in the top-priority sectors of defense and space.

PROBLEM AREAS

Growth Rate. Always a high priority of the leadership, relatively high growth rates were maintained up to the mid-1970's, largely by high rates of capital investment and an expanding labor force. In the 1970's the growth rate fell below 4% and declined still further in the 1980's to 2-3%. This decline is due partially to a natural slowdown as the economy matures, but it is also much affected by a decrease in productivity arising from worker alienation.

Worker Alienation and Skilled Labor Shortage. Widespread alcoholism, tardiness and absenteeism indicate a significant degree of worker alienation. This is fueled by the chronic shortages of consumer goods, the low quality of what is available, inadequate housing, etc. These living conditions have contributed to a declining birth rate over the past two decades in European Russia which is manifesting itself in the form of a shrinking pool of skilled labor. The central planners will have to look to the less-skilled and less-mobile populations of Central Asia and Transcaucasia to replenish the work force.

Chronic Need for Hard Currency. The Soviet leadership has always aspired to narrow the technological gap between the USSR and the industrialized West by importing large amounts of Western technology to speed its own development. The leadership has also locked itself into large imports of grain to support its well publicized commitment to increasing meat supplies for the Soviet consumer. Thus far they have been able to finance imports through energy exports, borrowing, gold sales, arms exports and other means. While the USSR retains an excellent international credit rating, about 60% of their hard currency earnings come from oil exports. Oil production has stagnated in recent years and actual declines in production have been registered this year. The Soviets will have to make sizable investments in the petroleum industry in the years ahead to

sustain production at current levels. On the other hand, the Soviets have the world's largest reserves of natural gas and increased hard currency earnings from this source will at least partially compensate for projected declines in oil exports. Hard currency earnings are being adversely affected by the overall drop in the price of energy.

EFFORTS AT REFORM

To a considerable degree, the inefficiencies of the Soviet economy result from its highly centralized bureaucratic planning and administration. The Soviet leadership makes basic economic decisions that are incorporated into plans covering virtually every aspect of the economy. Five-year plans set general outlines, and annual plans are developed for the actual operation of the economy. Much of the planners' control is executed through the allocation of resources. The military has first priority while heavy industry, agriculture, and energy are also emphasized.

Entrenched bureaucratic and ideological vested interests present formidable obstacles to reform efforts. Most such efforts are undertaken on a very limited scale and attempt to decentralize decision making and provide greater economic incentives for increased production. Under Andropov, these experimental reforms received high-level support, along with an effort to improve discipline in the work force.

UNDER GORBACHEV

Gorbachev is assuming power at a time when Soviet economic growth is stagnating, labor productivity is at low ebb, and dependence on imports of Western technology and grain will continue for the foreseeable future. He will be obliged to pay a great deal of attention to economic issues, and substantial personnel changes at the top will likely result. He is known as a disciplinarian and his June 11 speech showed that he intends to continue Andropov's drive for improved worker discipline. He also emphasized in that speech his intention to rely on improved technology as a means to improve worker productivity. Specifically, he will emphasize civilian machine building, microelectronics, computers and instrument-making as a building block to achieve high growth rates. He also called for resource savings, revealed an intention to limit the amount of investment going to agriculture and energy, and implied that the defense and consumer sectors would not be reduced.

ECONOMIC/TRADE ISSUES

The state of U.S.-Soviet economic and commercial relations has reflected, to a considerable extent, the state of overall U.S.-Soviet relations. During the 1970's the U.S. business community tended to view the Soviet Union with its vast needs as an enormous potential market and predictions of annual non-agricultural sales of \$10 billion or more were not uncommon. For their part the Soviets felt that large U.S. companies, who were used to dealing with economies of scale, might be particularly effective in tackling priority Soviet industrial projects. These high hopes faded following the failure of the U.S. to extend to the Soviets Most Favored Nation treatment and government financed credits, an increased pattern of Soviet human rights abuses and the invasion of Afghanistan.

U.S. agricultural exports to the Soviet Union have grown significantly since the lifting of the grain embargo--and may set a record high of over 20 million metric tons this year--. These agricultural exports are responsible for the large export surplus the U.S. has enjoyed with the Soviets. In 1984 the U.S. exported \$3.3 billion to the USSR, while importing \$556 million. Nevertheless, U.S. exports of manufactured foods have shown a steady decline since 1979, and were less than \$400 million in 1984. The principal reasons for this decline have been tightened controls on the export of high technology with possible military applications, Soviet concern as to whether U.S. firms will be permitted to honor contracts they have signed, USG reservations about providing support for large scale Soviet energy development projects, the absence of a government to government dialogue on trade issues, and the high value of the U.S. dollar.

During the last several months we have taken steps to resume our dialogue with the Soviets on economic/commercial issues. In June 1984 we renewed, for a 10 year period, our agreement on economic, industrial and technical cooperation (EITCA) which, among other things, provides U.S. companies with a basis to open and maintain offices in Moscow. In May 1984 we had the first meeting of the U.S.-Soviet Joint Commercial Commission since 1978. At the meeting both sides sought to find ways to encourage expanded non-strategic trade. In particular, they sought to identify those industrial areas where national security concerns would not pose an obstacle to increased trade ties. The Soviets pledged to provide U.S. firms with the same access to information and bids on projects as is given to the firms from other Western countries. The U.S. side agreed to resume trade promotion activities in the USSR, sought to

reassure the Soviets on the question of contract sanctity and agreed to try and obtain the removal of a 34 year old ban on the export of certain Soviet fur skins.

Major problems in the trading relationship remain. The Soviets continue to complain about their lack of Most Favored Nation status (MFN) and charge that this has prevented them from increasing exports to the U.S. They have also strongly criticized U.S. export controls, particularly those controls which have been applied for foreign policy reasons, and have charged that an imposition of foreign policy controls raises serious doubts as to whether U.S. firms can be counted on to honor contract commitments. We have told the Soviets that, given the provisions of the Jackson-Vanik amendment to the Trade Act of 1974, we see little prospect that MFN could be granted, barring a significant change in Soviet human rights and emigration policies.

Other important bilateral economic issues with the Soviets include the question of resuming bilateral air service, the possibility of a new maritime agreement, fishing and whaling, and differences over our maritime boundary in the Bering Sea.

July, 1985

2/07/85
8:15:19

All items in U.S. domestic exports to USSR,
1980, 1981, 1982, 1983, and 1984

(F.o.b. value, in thousands of dollars)

SITC number	Description	1980	1981	1982	1983	1984
0	Food & live animals-----	971,744	1,600,140	1,642,161	1,194,970	2,585,083
1	Beverages & tobacco-----	2,773	400	2,979	874	1,264
2	Crude mat'l--inedible,not fuel--	56,187	59,350	214,249	264,583	224,263
3	Mineral fuels, lubricants, etc--	26,473	62,840	90,013	22,571	30,045
4	Oils & fats--animal & veg prod--	28,148	56,089	40,565	21,507	38,872
5	Chemicals-----	31,580	180,220	287,846	239,398	208,219
6	Man'd goods by chief material---	34,458	32,871	25,961	29,755	16,573
7	Machinery & transport equip----	268,795	300,814	225,458	149,452	110,221
8	Miscellaneous man'd articles----	88,880	45,371	59,129	76,422	65,908
9	Commodities & transactions nec--	708	722	614	2,419	2,205
	Total-----	1,509,747	2,338,818	2,588,975	2,001,951	3,282,652
	Total, all items exported to USSR-----	1,509,747	2,338,818	2,588,975	2,001,951	3,282,652

Source: Compiled from official statistics of the U.S. Department of Commerce.

12/07/85
17:56:34

All items in U.S. imports for consumption from USSR,
1980, 1981, 1982, 1983, and 1984

(Customs value, in thousands of dollars)

SITC number	Description	1980	1981	1982	1983	1984
0	Food & live animals-----	1,814	2,675	5,236	17,488	17,070
1	Beverages & tobacco-----	5,612	8,446	9,961	11,744	9,042
2	Crude mat'l--inedible,not fuel--	15,503	17,820	9,511	11,481	17,270
3	Mineral fuels, lubricants, etc--	11,232	106,795	10,356	55,968	191,577
4	Oils & fats--animal & veg prod--	1/	19	5	1	9
5	Chemicals-----	148,038	93,509	117,307	144,417	207,819
6	Man'd goods by chief material---	125,812	100,241	60,555	88,031	103,801
7	Machinery & transport equip----	3,444	2,387	1,579	3,382	2,615
8	Miscellaneous man'd articles----	29,843	2,860	9,053	6,259	4,442
9	Commodities & transactions nec--	89,949	22,673	5,230	2,322	2,477
	Total-----	431,246	357,424	228,792	341,093	556,122
	Total, all items imported from USSR-----	431,246	357,424	228,792	341,093	556,122

1/ Less than \$500.

Source: Compiled from official statistics of the U.S. Department of Commerce.

C

September 1985

US-SOVIET RELATIONS

Background

Our policy toward the Soviet Union is based on three principles: realism, strength and dialogue. We have applied these principles over the past four years in an attempt to build a more constructive U.S.-Soviet relationship which will be sustainable for the long term. Fundamental U.S. interests vis-a-vis the USSR consist of a four-part agenda of substantive issues: arms control, regional issues, human rights, and economic/trade and other bilateral issues. We believe that the upcoming meeting between President Reagan and the new Soviet General Secretary Gorbachev in Geneva this November could mark a moment of opportunity in U.S.-Soviet relations, and we have emphasized to the USSR that we are prepared to move forward on all aspects of our relations.

In the Geneva nuclear and space arms negotiations, the U.S. hopes to achieve radical reductions in the levels of nuclear arms and to create a more stable U.S.-Soviet strategic balance. Thus far, however, the Soviet approach has not been encouraging. As underscored by Secretary General Gorbachev in his September 3 meeting with the delegation led by Senator Byrd, and in his recent Time interview, the Soviets have made virtual abandonment of the Strategic Defense Initiative a precondition to negotiations on offensive arms reductions, and have failed to explore the flexibility in the U.S. position. The prospects for progress in other U.S.-Soviet arms control negotiations remain unclear, and depend on Soviet willingness to bargain seriously for meaningful, mutually beneficial arms reductions and other measures to reduce the risk of conflict. The Soviet record of compliance with existing arms control agreements has clouded the prospects for significant arms control progress.

On regional topics, the Soviets show little flexibility on issues such as Afghanistan, the Middle East, and Central America. In his meeting with Senator Byrd's delegation and his Time interview, Gorbachev was unyielding on these topics. Nevertheless, we have sought to engage the Soviets in substantive dialogue on regional issues, most notably through the President's September 1984 speech to the United Nations General Assembly, in which he proposed regular U.S.-Soviet experts' talks on regional affairs. Thereafter, U.S.-Soviet discussions on Middle East, Southern Africa, and Afghanistan issues have been held. Talks on East Asia will be held in Moscow on September 12-13. These sessions are not intended as negotiations, but rather a means for a comprehensive exchange of views.

We continue to make clear to the USSR the centrality of human rights issues to the United States, and have pressed the USSR to adhere to commitments it has undertaken in the Helsinki Final Act, the UN Declaration on Human Rights, and other international agreements.

In the economic and trade sphere, we favor an expansion of nonstrategic trade with the USSR, and have increased the pace of consultations with the Soviets on these matters. In addition, we reached an agreement with the Soviet Union and Japan recently on air safety in the Northern Pacific; follow-on negotiations this fall will deal with implementation of this understanding.

Since your discussions in Moscow in April, our high-level political dialogue with the Soviets has included Secretary Shultz's May 14 meeting in Vienna with Soviet Foreign Minister Gromyko, his July 31 meeting in Helsinki with the new Foreign Minister Eduard Shevardnadze and Senator Byrd's early September trip to Moscow. Secretary Shultz will meet with Shevardnadze in New York; Shevardnadze will meet with the President in Washington on September 27.

The Helsinki meeting covered the full range of issues in U.S.-Soviet relations. Although there were no indications of major policy changes by the Soviets, the meeting was useful, frank and businesslike, and provided a good start to the detailed planning for the meeting in Geneva on November 19-20 between the President and General Secretary Gorbachev.

Senator Byrd and his colleagues reported they were impressed by General Secretary Gorbachev's strong style and grasp of the issues. They noted Gorbachev's interest in arms control but remarked that the Soviet leader remained inflexible in human rights and regional issues.

We remain realistic about the difficulty of developing more constructive relations; the relationship is and will remain fundamentally adversarial. Nonetheless, it is in the interest of the United States to keep working towards deep reductions in nuclear arms, to minimize the threat of force and use of force in working out solutions to international conflicts, and to build a new measure of trust and confidence in our bilateral relations. This will require joint action in areas of potential cooperation and avoidance of behavior that undermines stability. We know that this process will be a long and complex one. We believe nonetheless that a steady and confident approach will pay dividends in the long term.

Suggested Talking Points

General

- o Americans across political spectrum sincerely interested in developing more constructive relations with the USSR. We desire peace; as President Reagan has stated, a nuclear war cannot be won and must never be fought. The U.S. seeks in no way to threaten the Soviet Union.
- o Believe we are at a point which offers good opportunities for progress: we all recognize that Soviet Union has new, vigorous leader; nuclear and space arms talks underway in Geneva.
- o Want to move forward in all areas of our relations: arms control, regional problems, human rights and bilateral issues. Soviet willingness to engage issues seriously would give positive push to overall relations.
- o Must speak honestly and warn about damage done to relations by Soviet actions in a number of regions of the world--Afghanistan the overarching example. Actions of USSR and friends in Central America, Southeast Asia, Africa also obstacles to more satisfactory relationship.
- o Soviet human rights actions especially counterproductive. This issue cuts across party lines, is abiding concern of both legislative and executive branches and the American public.
- o Explicit linkage of issues to bettering of relations is not U.S. policy, but linkage as such is a fact of life. We hope for progress in the months ahead.

Reagan-Gorbachev Meeting

- o The President sees his meeting this fall with General Secretary Gorbachev as an important step in the ongoing effort to build more stable and productive relations.
- o The November meeting provides useful opportunity to talk candidly about the numerous problems we confront, to explore areas of agreement, and to find ways of approaching areas of disagreement.
- o U.S. ready to make concrete progress where possible, but meeting can also be a success if it strengthens a process that will bring substantive progress down the road.