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ANALYTICAL
MEMORANDUM

Soviet Policy Toward Selected
Countries of Southern Europe

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SOVIET POLICY TOWARD SELECTED
COUNTRIES OF SOUTHERN EUROPE

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THE UNITED STATES INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT, AS FOLLOWS:

The following intelligence organizations participated in the preparation of the estimate:

The Central Intelligence Agency, the intelligence organizations of the Departments of State and Defense, and the National Security Agency.

Concurring:

The Deputy Director of Central Intelligence representing the Central Intelligence Agency

The Director of Intelligence and Research representing the Department of State

The Director, Defense Intelligence Agency

The Director, National Security Agency

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SOVIET POLICY TOWARD SELECTED COUNTRIES OF SOUTHERN EUROPE

PRINCIPAL CONCLUSIONS¹

A. The changes of regimes in Portugal and Greece, the continuing gains of the Italian Communists, and the Cyprus situation have created both opportunities and problems for the Soviet Union. The Soviets perceive these changes as creating problems for the US position in Europe, and possibly the Middle East, and hence as relative gains for themselves. At the same time, southern Europe is not a primary focus of Soviet policy, and Moscow does not want efforts to expand its influence there to interfere with its carefully built relations with central Europe and with the US.

¹ The Defense Intelligence Agency believes this Estimate gives too much emphasis to the restraints on Soviet policy and to the caution Moscow will employ in dealing with developments in southern Europe. US policymakers should not be led to place too much confidence in the assumption that the USSR will pursue a moderate course in the area out of fear of interfering "with its carefully built relations with central Europe and with the US," or of precipitating a "rightist reversal." The exploitation of pro-Communist, pro-Soviet, and anti-US, anti-NATO trends in that area would be directly in line with primary Soviet foreign policy goals, i.e., such trends would greatly improve their relative power position vis-a-vis the rest of Europe and the US. The tempo of the deteriorating economic and political situation in southern Europe will encourage the Soviets to adopt stronger policies, even at some risk of a "rightist reversal" which, in any case, would be seen in Moscow as a final—and ultimately futile—effort to preserve the present system. The Assistant Chief of Staff, Intelligence, Department of the Air Force shares this view.

B. Because of regional contradictions and their own sometimes conflicting objectives, the Soviets do not now have, nor are they likely to develop, an integrated, all-embracing policy for this region. Instead, they have fashioned their policy on a country-by-country basis, concentrating on their strategic interests and giving current priority to maintaining good relations with those in power.

C. Moscow supports the growth of Communist forces in this region and hopes to see them come to power ultimately. But it has shown an inclination to commend moderate policies to the indigenous Communist parties. This line stems primarily from hard-headed calculations about risks, both in terms of stimulating local anti-Communist reactions and jeopardizing Soviet policy in areas of greater interest to Moscow—Western Europe and the US.

D. The Soviet Union's primary interest in *Cyprus* is to forestall the establishment of any permanent Turkish or Greek base that could be used by US or NATO forces. But the Soviets value their relations with both Greece and Turkey and will not allow Cyprus to become the fulcrum of their policy in the eastern Mediterranean. While Moscow seeks to profit from the turmoil on the island and in NATO, there is not much the Soviets could realistically do if Cyprus moves toward a de facto partition.

E. *Turkey* is of considerable strategic importance to the USSR because of US use of Turkish territory and the value to the Soviet Union of the Turkish Straits and the country's air space. In the conflicting opportunities and pressures generated by Cyprus, Moscow has shown no sign of abandoning its patient cultivation of Ankara. We expect this policy to continue.

F. The political change in *Greece* has been a gain for the Soviets because of the accompanying tensions in US-Greek relations and in NATO. On the negative side, they recognize that Karamanlis is better able to fashion a workable Greek relationship with Western Europe. The Soviets have somewhat more long-term opportunity for exercising influence now that the Greek Communists can operate overtly. In the meantime, Moscow will seek to strengthen its ties with the Karamanlis government and to hold out the prospect of some support on Cyprus.

G. For the Soviets, the dynamic element in the *Italian* situation is the prospect that the Italian Communists will directly participate in a government in Rome. Moscow wants this to happen—but slowly, lest the PCI fall victim to a sharp rightist reaction, or excessive alarm be generated among Italy's neighbors and allies. The USSR probably could not dissuade the PCI from entering a coalition if the party were determined to do so.

H. In *Yugoslavia*, the USSR will continue to maintain the outward appearance of correct relations with Belgrade while it does what it can to build a capability to influence events after Tito goes. The use of direct Soviet force to bring Yugoslavia back into its camp is unlikely. If, however, Yugoslavia began to drift westward, and if this coincided with a breakdown in central authority, then the odds would shorten, although they would still be against direct Soviet intervention.

I. The Soviets are pleased with what has happened in *Portugal*, particularly the key role being played by the Portuguese Communist Party. They endorse the Portuguese Communist Party's effort to present itself as a responsible force that denounces leftist extremism and does not press the issue of Portugal's NATO membership and the Azores base. Moscow is anxious about the possibility of a rightist reversal, which it would have no choice but to accept, and is likely to advise continued caution in the pursuit of Communist power.

J. A new Middle East war, another Greek-Turkish crisis, and severe economic dislocation in southern Europe are three contingencies over the next year or so that might upset this prognosis. The first would probably result in further strains between the US and the southern European countries, which would benefit the Soviet Union, but probably not fundamentally alter its position in the region; a sustained Arab oil embargo would have a more far-reaching impact. The Soviets will use any new Greek-Turkish crisis to strengthen their position particularly in Ankara, but Moscow will continue to play a secondary role to the US. As for an economic depression, the Soviets are ideologically committed to welcoming this prospect and will extract what advantages they can from it. At the same time, they perceive political dangers in the situation, and for the immediate future their policy will probably not be designed to magnify economic instability in Europe. A deep and prolonged depression would lead the Soviets to recalculate.

PROBLEM: To assess Soviet policy over the next year or so toward the changing situation in the region including Turkey, Cyprus, Greece, Yugoslavia, Italy, and Portugal.

I. INTRODUCTION

1. A number of changes have taken place within the past year in southern Europe that have raised fresh questions concerning Soviet policy toward the region. The change of regimes in Portugal and Greece, the outbreak of hostilities on Cyprus, and the increased strength and influence of the Italian Communist Party have all put additional pressures on the NATO alliance and have contributed to a sense of malaise, and even incipient crisis, within the West. These events coincide with widespread economic dislocation and political change in the international community. They also coincide with, and owe something to, a widespread sense in Europe that the Soviet military threat has diminished and that indigenous Communist parties are a legitimate part of the political landscape.

2. The Soviet Union has not been a major actor in events in southern Europe, and the area itself has not been a prime objective in Soviet foreign policy considerations. The Soviets are deficient in the traditional levers of influence in the region. Up to now Soviet policy has been largely reactive, seeking to use events to win new friends without

losing old ones, to complicate US policy without making serious commitments, and to play the role of a great power whose desires ought and must be taken into account.

3. Moscow is, however, aware of the intimate relationship between events in southern Europe and its larger interests in the Middle East and Europe. Disarray in the region and any diminution of US influence provides a relative increase in the influence of the Soviet Union there. Restrictions on the use of bases in southern Europe by US aircraft to support Israel, for example, tend to weaken the US position in the Middle East and potentially strengthen the influence of the USSR. Over the longer haul, the Soviets hope to take advantage of any increased US or NATO weakness in southern Europe to press for a new arrangement regarding the overall political balance in Europe.

4. The problem for Moscow is that attempts to make gains in an area like southern Europe may be charged against its detente account. The Soviets do not want developments in southern Europe to compromise their carefully wrought policy of

achieving a political understanding in central Europe, or add an additional burden to the still uncertain accommodation of interests between the US and the USSR. Soviet policy in southern Europe thus has an intrinsic ambivalence that tends to rob it of any driving imperative.

II. FACTORS UNDERLYING SOVIET POLICY

Soviet Opportunities

5. In relating their policy in southern Europe to the changing environment in the region and to their general line the Soviets, as elsewhere, place strategic interests first. Soviet interests regarding the dissolution of NATO and the manipulation of the Middle East situation to diminish US influence are manifest in Soviet relations with southern Europe. Their policy vis-a-vis Turkey, for example, is designed to reduce US influence and military presence there, as well as to protect Soviet rights in the Turkish Straits and to be able to use Turkey as a bridge to Soviet-supported regimes in the Middle East.² Their primary concern in Cyprus is to ensure that no US or NATO bases are established there. The Soviets would also see a considerable gain if Greece, Portugal, and Italy restricted their roles in or pulled out of NATO, or limited the use of air and naval facilities by US forces. They might also hope that the fractionalization of NATO on the southern flank would spread to the rest of the alliance.

6. While Soviet policy is driven by strategic and security considerations, the Soviets also see broader political advantage to what is happening in the region. The Soviets point, for example, to events in Portugal as evidence that their detente policy helps create conditions which are congenial to the development of "progressive" forces in the world. This has internal political benefits for the sup-

² Approximately 10 percent of Soviet arms deliveries to the Middle East during and just after the October War was via airlift. Most of these aircraft overflew Yugoslavia; the remainder overflew Turkey.

porters of the current foreign policy line, as well as bringing advantages in the international Communist arena.

7. Moscow has an interest in seeing leftist and Communist parties—or, in Yugoslavia, more Soviet-oriented Communists—achieve a position of influence or power in the countries of southern Europe. Although these forces might not act as Moscow's clients, they would be tougher on the US than elements of the center or the right. They would be more susceptible to penetration by those who are under Moscow's control or strong influence; they would be more likely to see eye to eye with Moscow on the proper relationship between their country and the Soviet Union than would elements of the center or right. In short, leftist regimes would generally give the Soviets somewhat more latitude, more room for maneuver than they frequently have had.

Complications and Limitations

8. This does not mean that the coming to power of leftist forces would be without problems for the Soviets. Various Communist parties, most notably the PCI in Italy, tend to be independent of Moscow and create difficulties for the Soviets within the world Communist movement. Similar tendencies would almost certainly emerge among other Communist parties as they began to achieve positions of power within their own countries. Moreover, the very fact of their being Communists or leftists would impose burdens on Moscow that do not exist when the Soviets are dealing with regimes of the center or right. Moscow might feel itself under some obligation not to drive as hard a bargain on state-to-state matters as otherwise. For example, it would be a serious embarrassment for a Soviet-supported regime to be ousted, especially if it were because of Soviet failure to provide support.

9. The Soviets would also have to weigh their support for a leftward movement in this area

against the potential damage it might cause to their policy elsewhere in Europe and in the US. The West would tend to resist and act against any significant development that seemed to favor Soviet interests. Any of the following events—a Communist government in Portugal, Communist participation in a coalition in Rome, a pro-Soviet swing in Belgrade, the appearance of Soviet inroads in Cyprus—would revive latent fears about the Soviet threat to Europe, and might serve to revive a harder line on the part of NATO states.

10. These drawbacks will not keep the Soviets from supporting leftist elements in the region or from using their assets to promote Soviet interests. They will, however, tend to cool Soviet ardor and to reinforce Moscow's other reasons for going slow. Among the most important of these is that individuals and parties that are not antagonistic to the Soviet Union are frequently in a weak and exposed position—especially in Greece, Turkey and Yugoslavia. The Soviets themselves openly acknowledge the danger of a rightist reaction in countries like Portugal, or even Italy; the Chilean precedent weighs heavily on Soviet thinking.

11. Despite Moscow's detente policy, and its efforts to appear as nothing more than a friendly neighbor, the Soviet Union is still feared and looked on with suspicion by the Turks, Greeks, Yugoslavs, and many Italians. This limits Moscow's options, making it more difficult for the Soviets to take advantage of the fissures in the relationship of Greece, Turkey, and Italy to the US and to each other. More broadly, it tends to place limits on Moscow's expectations of a basic shift in the orientation of these countries, to make for prudence in the conduct of Soviet policy toward the regime.

12. In addition, the intrinsic political contradictions in this region make it particularly difficult for the Soviets to pursue a coherent policy. On Cyprus, the Soviets are trying to walk a tight-rope between

the Greeks and the Turks, but have satisfied neither and cannot satisfy both. In the Balkans, an increase in Soviet influence in Greece would make the Yugoslavs more nervous about the future and might cause Belgrade to look for some reassurances from the West. Any major Soviet gains in Yugoslavia would almost certainly alarm the Greeks and Turks and drive them closer to the US. A similar kind of linkage would probably be made in Italy, where the PCI's domestic position would be complicated. In Greece, elements within the Army and the present government might be sufficiently aroused to move against the left, even at the expense of the new constitutional order.

The Balance

13. Recent changes in southern Europe have improved the Soviet position over a few years ago, when Moscow had almost no capability to influence the policy of countries of southern Europe. From the Soviet perspective, however, the balance in southern Europe still favors the US. Although NATO is in trouble in the area and Communist parties are making gains, NATO still provides the organizational framework for the area and a forum in which the governing regimes can share problems and solutions with each other and with the US. The Soviets have no similar base on which to build a coordinated area policy. Moreover, in view of a strong residue of anti-Soviet sentiment in the region, it is unlikely that Moscow can seriously entertain the substitution of its own organizational or, like the Asian security concept, notional idea of a security arrangement for the area under discussion. Its proposal for a nuclear-free Mediterranean has aroused scant interest in the area. It is still to the US and the West that the peoples of this area naturally turn to meet their security and economic needs. Under these circumstances, the bias in Soviet policy will be toward dealing with the countries on an individual basis.

III. SOVIET POLICY IN INDIVIDUAL COUNTRIES

Cyprus

14. The Soviet Union's primary interest in Cyprus is to forestall the establishment of any permanent Turkish or Greek base that could be used by US or NATO forces. For this reason, Moscow strongly supports the Makarios government and supports an independent and nonaligned Cyprus. For this reason the Soviets have been against *enosis* and now oppose a federated solution that divides the island under a weak central government. The Soviets fear that such a federation would lead to a *de facto* partition that might end up as a fig-leaf version of double *enosis*, opening the possibility of new foreign bases on the island.

15. These concerns are not urgent. The Soviets have had little trouble accommodating to the presence of British bases. Moreover, Soviet military forces, including naval forces in the Mediterranean, were used with restraint when Makarios was ousted, and even when there was a threat of war between Greece and Turkey. The events of mid-summer 1974 also demonstrated that Moscow, despite its influence with the Cypriot Communists, could not exert much direct leverage on the Cyprus situation.

16. Although Moscow has weighed in with both Athens and Ankara in support of a unified and neutral Cyprus, the Soviets have not pressed their case. They do not want to jeopardize the possibility of building a better relationship with the new Greek government. More important, neither do they wish to compromise their long-term goal of mitigating the anti-Soviet character of Turkish policy. Moscow is not allowing Cyprus to be the fulcrum of its policy in the eastern Mediterranean.

17. Moscow appreciates that turmoil on Cyprus makes problems for the US and NATO, and the Soviets have, of course, tried to profit from the situation. Their propaganda has referred darkly to "NATO forces" as the instigators of the fall of Ma-

karios, and they have warned the Arabs that Israel and its friends would attempt to use the island in support of another Middle East war. They have peddled misinformation about Turkish and Western intentions and have sought to lay the foundation for a future Soviet role on the island, for example by offering to help reestablish civil air traffic to Cyprus. Moscow has also consistently argued that new international guarantees for Cyprus are required, along with new guarantors which implicitly would include the Soviet Union. The Soviet proposal for a UN-sponsored conference on Cyprus and Ilichev's tour through the area in September 1974 were designed to give the impression that the Soviets could and should play an important role in determining the future of Cyprus.

18. Under ideal circumstances for the Soviets, a political solution will be found for Cyprus under which the island is ruled by a unified government, with no foreign bases, and backstopped by guarantors including the Soviet Union. The Soviets will press for this outcome, but they will not put much political muscle behind their effort. If the island ends up partitioned, with Turkey and Greece playing significant roles in the Turkish and Greek sectors, Moscow will accept the setback and proceed to try to dissuade either country from permitting foreign bases on the island.

Turkey

19. Turkey is the only country under discussion in this paper that shares a border with the Soviet Union. Not coincidentally, it has a more profound history of conflict and rivalry with its northern neighbor than does Italy or Greece or even Yugoslavia. For reasons of geography, Turkey is of considerable strategic interest to the USSR: the Turkish Straits are the Soviet Union's link to the Mediterranean; Turkish air space has been used by Moscow as a bridge to its friendly regimes in the Middle East; and the Soviets hope to expand their limited use of Turkish territory for ground access to Syria.

20. Since the early 1960s, Moscow has been engaged in a substantial effort to better relations with Ankara. In pursuit of this policy, Moscow has given substantial economic aid; it has promoted increased trade and cultural ties; and it has pushed, unsuccessfully thus far, for a friendship and nonaggression treaty. Turkey still has a strong commitment to NATO and still fears and dislikes the Russians. But Moscow has made some progress in smoothing out some of the rough edges in the relationship. During the 1967 Cyprus crisis Moscow gave strong support to the Turkish position. More recently, it was favorably disposed to former Prime Minister Ecevit, applauding his tougher rhetoric about US installations and his commitment to state economic enterprises. It reaped some of the reward during the October Middle East war, when the Turks, with an eye to their standing with the Arabs, did not strenuously object to overflights by Soviet aircraft carrying military supplies.

21. Given these gains, Moscow has been unwilling to offend the Turks by openly opposing their actions on Cyprus. Although the Soviets are not pleased with the thrust of Turkish policy on Cyprus and have privately made it clear to Ankara that they are opposed to a de facto partition of Cyprus, they evidently have made no threats to cut off economic assistance or to take more extreme measures. Moscow probably calculates that such threats would not work and that, besides, Washington would eventually be compelled to use its leverage to press Ankara to limit its objectives on the island.

22. The Soviets' Cypriot policy has nevertheless lost them some points in Turkey, but the losses are clearly manageable. Moscow is not going to abandon its objective of maintaining good relations with Ankara because of anything that happens on Cyprus or even by the prospect of major gains in Greece. Nor is an abrupt change likely to come from the Turkish side, but over time, if US aid is actually

cut, an erosion of the US-Turkish relationship is likely. On the other hand, the Turks' commitment to NATO and to security arrangements with the US may be reinforced, if it looks as though the Communists, and indirectly Moscow, are making inroads elsewhere in the Mediterranean littoral.

Greece

23. Greece is not as strategically important to Moscow as Turkey, and the implied pressures on it have been less strong. Nevertheless, the Soviets have sought to build a closer bilateral relationship, to attenuate Greek apprehension of the Soviet Union, and to woo the Greeks slowly from NATO and the US. They have had little success in Athens, partly because the Greek military had been rigidly anti-Communist and partly because the Greeks could afford to be less solicitous of the Soviets.

24. The circumstances that brought Karamanlis into power created tensions in US-Greek relations and exacerbated divisions within the NATO alliance; this was a gain for the Soviets. But while the military government was difficult for Moscow to deal with, it unintentionally promoted one of Moscow's objectives—to further Greece's estrangement from the West. Karamanlis is more acceptable to the West and will be better able to bring a Greece with restored democratic institutions back into a closer relationship with the West.

25. Moscow sees some new opportunities for the Greek Communist Party (KKE) now that, for the first time since the civil war, it can operate overtly in Greece. The Soviets heavily financed the electoral activity of the external (pro-Soviet) faction of the KKE, but the badly divided Communists did poorly in the voting. Moscow will urge the KKE to exercise restraint and to build for the future.

26. In the meantime, Moscow will seek to strengthen its ties with the new government in Athens. The Soviets will urge Greece to withdraw completely from NATO and to cut back or even end the use of Greek territory by US forces. How-

ever, the Soviets are unlikely to give Athens enough support on the Cyprus question to win any significantly improved standing in Greece. The Karamanlis government will not offend the Soviets unnecessarily, and if anti-US sentiment grows it may be under pressure to attempt to use the prospect of a Soviet connection to gain some leverage with the US. If this happens, the Soviets will be cautiously responsive.

Italy

27. On the governmental level, Soviet policy toward Italy is a conventional mix of cultivating political ties, seeking common diplomatic viewpoints, and developing economic relations. The dynamic element in the situation is the Italian Communist Party, whose increased strength and influence opens the prospect that the PCI will directly participate in a government in Rome.³ On the negative side, the Soviets fear that PCI participation, or a prematurely assertive role by the Communists, would lead to a right-wing reaction that would upset Moscow's assiduously built bilateral relations with Italy. The Soviets are also worried that such participation could harden attitudes toward the USSR elsewhere in Western Europe and complicate relations with the US. The impact would be greater if the Portuguese Communists appeared to be in the driver's seat in Lisbon.

28. On the plus side, Moscow would see some political benefit in what would be widely perceived as a setback to US policy in Europe, and would expect to find more common ground between Soviet and Italian foreign policy. The PCI is already—with Moscow applauding in the wings—weighing in against any increased use of Italian territory by the US or NATO. The party will almost certainly be in the forefront of those arguing on economic grounds that Italy cannot afford to meet its NATO obligations.

29. The Soviets are ambivalent about the ideological and intra-Communist ramifications of PCI participation. If the PCI acted with restraint and some sense of responsibility, its participation in government would help bring respectability to Communist parties in Europe and elsewhere. Moscow's argument that detente has provided a congenial environment for the achievement of power by Communist parties would obviously be strengthened. On the other hand, the Soviets may also anticipate that the maverick voice of the PCI would carry more weight in international Communist circles, while Moscow's already weak influence on the Italian Communists would be further reduced.

30. Whatever its reservations, Moscow could ill afford to be seen opposing the entry of the PCI into the Italian government. Moreover, the Soviets could not dissuade the PCI from entering a coalition if the party were determined to do so.

Yugoslavia

31. Moscow views Yugoslavia from a perspective quite different from that which it applies to the other countries discussed in this paper. Indeed, the Yugoslav problem is unique in Soviet foreign policy; it is in part ideological, in part emotional, in part geopolitical, and always intensely historical. Yugoslavia is the apostate to be shown the error of its ways and returned to the fold. A Yugoslavia that again embraced the USSR would reaffirm, for the instruction of Communists everywhere, the correctness of the Soviet view of the world.

32. To some extent Moscow still views Yugoslavia's singular interpretation of Marxism-Leninism, its obstinate independence of the Soviet Union, and its espousal of third-world nonalignment as a contagion that threatens Soviet hegemony in Eastern Europe. But in the 26 years that have passed since Tito made his break, the Soviets have learned to isolate the disease and to treat the symptoms while they search for a prophylaxis. The abhorrence of the malady is still there, but the fear is attenuated.

33. In addition to the political considerations, a Yugoslavia realigned with the Warsaw Pact would strengthen that organization, and the Soviets would see military advantages in having guaranteed use of Yugoslavia airspace, airfields, and its Adriatic ports. Nonetheless, it is unlikely that Moscow would so value Yugoslavia's realignment to pay the price—in money, men, and damage to Soviet interest in the Third World, in Europe and in the US—of an intervention by Soviet armed forces.⁴

34. The balance sheet would look different if a post-Tito Yugoslavia seemed to be moving toward alignment with the West. This would pose ideological problems for the Soviets, would give them concern about possible reverberations in Romania, and might even raise a strategic spectre concerning the use of Yugoslav territory to threaten the USSR itself. If this westward drift coincided with a breakdown in central authority in Yugoslavia, then the odds would shorten, although they would still be against direct Soviet intervention.⁴

35. While military force is unlikely, Moscow will use other means to try to bring Yugoslavia into line after Tito goes. [

]

36. At the same time, in their official relations the Soviets have been trying for a generation to gain their objectives in Yugoslavia without resorting to heavy-handed pressure. There have been ups and downs in the relationship, but these have been due as much to Tito's sensitivities and to the uprising in Hungary in 1956 and the invasion of Czechoslovakia in 1968, as to Moscow's maladroitness and use of Stalinist tactics in Yugoslavia

⁴ See NIE 15-73, *Yugoslavia After Tito*, 5 July 1973.

itself. The trend has been running in favor of less antagonistic, although still not cordial, relations.

37. [

] Tito has resumed his cautious policy. A number of high-level visits have taken place [and Brezhnev may visit Belgrade shortly. Tito's purpose seems clear enough; he wants to minimize the risk of the Soviets doing anything rash after he leaves the scene by creating a positive atmosphere between Yugoslavia and the Soviet Union.

38. The Soviets hope to bend these efforts to their own purposes, and they will work hard to bring Yugoslavia back into their orbit after Tito goes. They are not likely to be deterred by the fact that success here would complicate their prospects elsewhere in the region. Their specific actions will depend primarily on the degree of internal cohesion in Yugoslavia and the determination of its leaders to keep the Soviets at arms length. Other factors, including the balance of forces in Europe and the health of detente, will also play a role.

Portugal

39. What happens in Portugal is likely to have an influence well beyond the Iberian Peninsula. Because of the role being played by the Communist Party there, Portugal is likely to be regarded as a model for the communists in Europe, as well as a test for Soviet policy. For example, the Italian Communists could point to a successful Communist experience in Portugal to support a bid for a piece of the action in Italy; or conversely, the PCI's opponents could gain new determination to keep the Italian Communists out of the government in the event their Portuguese comrades have acted irresponsibly or have made an extralegal bid for power. Portugal may also end up being a test of US credibility, of Washington's resourcefulness and flexibility in maintaining the Western alliance, and of its military sinews under changing circumstances.

40. The Soviets are clearly pleased with the turn of events in Portugal. Taken by surprise, Moscow was nonetheless quick to see the opportunities: in six weeks diplomatic relations were established with Lisbon, and a number of routine bilateral agreements followed. For Moscow, the revolutionary changes imparted substance to its developing ideological line regarding the crisis of capitalism and the opportunities created by the USSR's relaxation of tension policy. But, more important, an ascendant left would threaten Portugal's ties to NATO and could terminate US base rights in the Azores. Developments in Portugal could also have an impact on Spain, which faces a leadership change that could lead to internal conflicts which might in turn present opportunities for the Soviets.⁵

41. The full potential of the Portuguese situation can be realized only if the Portuguese Communist Party (PCP) becomes indispensable or at least very influential in whatever government finally emerges in Lisbon. There is a good chance of that happening. The PCP has a relatively large number of members and sympathizers centered in the capital. It is better organized and apparently better led than any other party in Portugal. It has substantial influence over—if not control of—key labor groups and the media. Most important of all, it seems to have some influence within the ruling Armed Forces Movement.

42. Moscow can be encouraged by the fact that the PCP has been among its most loyal supporters in the international movement. Its leader, Alva Cunhal, almost certainly is receptive to advice, although perhaps not orders, from Moscow. In his new situation, however, he may find that the Soviets need him more and can do less for him than when his party was underground.

43. The Soviets have probably given money to the Portuguese Communists, but they have taken some care to remain relatively inconspicuous in

Portugal. They have apparently urged the PCP to present itself as a moderate force that denounces leftist extremism and does not press the issues of Portugal's NATO membership and the Azores bases at the present time. The Soviets seem to fear a strong rightist reaction, similar to what happened in Chile. In addition, Moscow wants to avoid creating difficulties in its relations with Western Europe and the US. In this vein, Cunhal's ministerial visit to Moscow in late October was handled with restraint. The Soviets evidently turned down his request for wheat, and Podgorny's reference to the USSR doing what it can economically for Portugal "within its capabilities" suggests that Moscow has no present intention of underwriting the Portuguese economy. Moscow's best bet seems to be to refrain from forcing the pace of events that seem to be running generally in its favor; it also wants to avoid too close an identification with what may end up as a losing cause.

IV. FUTURE SOVIET POLICY

44. The Soviets will continue to seek expanded influence in this region. Mindful of the weakness of indigenous pro-Soviet elements, they will be reluctant to jeopardize their hard-won gains with the regimes in power by strong, overt support of forces on the left. The Soviets will probably try to have it both ways [

] If the Communists in Portugal or Italy acquired a major share of formal power, the USSR's chief initial concern would be to see these gains consolidated, rather than exploited with a vigor which risked a reversal.

45. The Soviets will be disinclined to promote the appearance of a domino phenomenon in southern Europe, regardless of how inapplicable the concept may be in this area. They will not want others, in the area and outside, to perceive the situation in these terms, lest individual gains for

pro-Soviet forces in one country arouse disproportionate reactions in another. Moscow probably calculates that long-run trends in the area are favorable to its cause, but that care is needed to manage the process. Otherwise, internal opposition forces might mobilize themselves and external actors—the West Europeans and particularly the Americans—might not only intervene energetically in the area but draw negative conclusions about their own relations with the USSR.

46. The region will of course be affected by trends and events independent of Soviet actions, as will Soviet policy itself. In this connection, three foreseeable possibilities are another Arab-Israeli war, another Greek-Turkish crisis, and a deepening global economic crisis.

47. In the aftermath of the October 1973 war, most of the countries of Western Europe have moved closer to the Arab side. Another round of fighting would give this process further impetus, and US efforts to use European facilities to resupply Israel would meet with greater resistance than before.⁹ The ensuing strains would fray bilateral relations with the US; in the Yugoslav case, Belgrade's active involvement in the resupply of the Arabs would produce a similar result. The Arabs, with Soviet support, might reimpose an oil embargo which could have severe effects in Europe, particularly in Italy. These developments would not necessarily create opportunities for Soviet action, but they would damage US influence and thereby improve the USSR's relative position.

48. As in the past, Moscow would probably not welcome the complications inherent in a new Greek-Turkish crisis. If, however, there were renewed trouble over Cyprus or a revival of the Greek-Turkish dispute over offshore oil in the Aegean Sea, the Soviets would see some advantages to themselves. They would expect further strains in NATO and in US relations with the two adversaries, which

in the case of Turkey might even affect US military facilities deployed there against Soviet targets. They probably would press again for broadened international consideration of the problem and thereby a direct role for the USSR. The Soviets might even cooperate with the US to that end. In the more likely event that the mediating burden fell to the US, Moscow would try to position itself to win points with whichever of the two countries felt itself treated badly. Moscow's bias will continue to be with Turkey, and it would be particularly alert to opportunities to drive wedges between Washington and Ankara. It would be less willing to take Ankara's side on the Aegean dispute if the Turks were clearly to be the aggressor. In the case of Cyprus, Moscow's prime aim would be to preserve the island's independence and neutrality.

49. The countries considered in this study are vulnerable in varying ways to the current economic decline. Turkey, Greece, Yugoslavia, and Portugal, while protected to some extent by low levels of development, are suffering from trade problems and the unwanted return of workers from Western Europe. Italy's difficulties are more severe. Moscow views these problems as evidence of the superiority of the Communist economic system and is ideologically committed to welcoming their appearance. But at the same time it has emphasized the dangers, as well as the opportunities, that they create for the Soviet Union and Communist parties in Europe. Soviet officials are now recalling that the economic and social disruption of the inter-war period led to fascism. They also argue that further economic deterioration would cause the countries of Western Europe to be more, not less, dependent on the US.

50. Such fears find concrete expression in Moscow's current advice to the Communist parties of Europe to work domestically to lessen, rather than aggravate, economic disruptions. While a deep and prolonged depression would lead the Soviets to recalculate, for the immediate future their policy will probably not be designed to magnify economic instability in Europe.

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