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#### SECRET/SENSITIVE

THE WHITE HOUSE

WASHINGTON

National Security Study Directive Number 5-82 March 25, 1982

#### U.S. POLICY TOWARD EASTERN EUROPE

#### Introduction

A review will be conducted of U.S. Policy Toward Eastern Europe. This National Security Study Directive establishes the Terms of Reference for the Review.

#### Objectives of the Review

To determine whether or not the United States should differentiate in its policies between the countries of Eastern Europe and the Soviet Union on the one hand, and among the diverse countries of Eastern Europe on the other. To the extent that the answer is affirmative, the Review is to define to what end such a policy is to be pursued and by means of which instrumentalities. (S)

To produce an analysis of U.S. interests, objectives, the character of the threat to those interests, and policy recommendations for achieving our objectives for consideration by the National Security Council and, subsequently, for decision by the President. (8)

#### Scope of the Review

The Review will deal with the following subjects:

1. The long-term objective of U.S. policy toward Eastern Europe: is it to maintain regional stability in order to prevent the area from turning into a potential fulcrum of East-West confrontation, or is it to encourage processes which, in time, may loosen Moscow's hold on the region and lead to its reintegration into the European community. (S)

- 2. The concept of "differentiation":
- A. Should we pursue a policy of differentiation between the Soviet Union and its East European dependencies, and among the countries of Eastern Europe.
- B. A discussion of the criteria to be employed in determining preferential treatment of individual East European countries:

-- Relative independence from the Soviet Union in the conduct of foreign policy as manifested in the degree to which East European states resist associating themselves from Soviet foreign policy initiatives. Declastic Classed ON 3-11-90

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-- Relative internal liberalization as expressed in a willingness to observe internationally recognized human rights and a degree of pluralism and decentralization in the political and economic spheres. (S)

3. The balance sheet of "differentiation": an analysis of the past and current policies of "differentiation" by the U.S. and its Allies, with an assessment of the positive and negative results for U.S. policy in the region, U.S. relations with its Allies, and their impact on U.S.-Soviet relations.

4. Instruments for implementing differentiation: The review will indicate the means which the United States can use to reward countries that meet its criteria and withhold rewards from those that do not.

- A. Economic: an analysis of such instruments as MFN (annual and multi-annual), credits, IMF membership, concessional sales of foodstuffs, rescheduling of overdue loans, and technology transfer.
- B. <u>Cultural</u>: scholarly and scientific exchanges, and the nature of information beamed to a given country.
- C. <u>Political</u>: high level visits, activities in international fora (e.g., CSCE and the United Nations), and restrictions on consular and diplomatic personnel. (5)

The study will establish U.S. policy toward Eastern Europe and provide basic policy guidance for other studies of matters dealing with the region.

5. Allied cooperation: What needs to be done to secure maximum Allied cooperation in the pursuit of our policies.

6. Regional aspects: An analysis of the individual countries of Eastern Europe -- Poland, East Germany, Czechoslovakia, Hungary, Romania, Bulgaria -- with a view to determining to what extent they meet our criteria, where they seem to be heading, and what specific issues in their relations with the United States and the Western Alliance are likely to come up in the years immediately ahead that will bear on the policy of differentiation. U.S. policy toward Yugoslavia and Albania will also be treated, but in a separate context. (S)

#### Administration ·

Management of the NSSD 5-82 review will be the responsibility of an interagency review group that will report its findings not later than April 30, 1982. The review group will be chaired by the Department of State and will include Assistant Secretary-level representation from the National Security Council staff, the Department of Defense, the Central Intelligence Agency, the Joint Chiefs of Staff, the Treasury Department, the Department of Commerce, the International Communication Agency, and the Department of Agriculture.

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All matters relating to this NSSD will be classified SECRET or SECRET/SENSITIVE. Dissemination of this NSSD, subsequent study material, and the resulting draft NSDD will be handled on a strict need-to-know basis.  $(\mathcal{L})$ 

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