

861.00/2 - 2246: Telegram

The Charge in the Soviet Union (Kennan) to the Secretary of State

Moscow, February 22, 1946--9 p.m. [Received February 22--3: 52 p.m.]

511. Answer to Dept's 284, Feb 3 [13] involves questions so intricate, so delicate, so strange to our form of thought, and so important to analysis of our international environment that I cannot compress answers into single brief message without yielding to what I feel would be dangerous degree of over-simplification. I hope, therefore, Dept will bear with me if I submit in answer to this question five parts, subjects of which will be roughly as follows:

- (1) Basic features of post-war Soviet outlook.
- (2) Background of this outlook
- (3) Its projection in practical policy on official level.
- (4) Its projection on unofficial level.
- (5) Practical deductions from standpoint of US policy.

I apologize in advance for this burdening of telegraphic channel; but questions involved are of such urgent importance, particularly in view of recent events, that our answers to them, if they deserve attention at all, seem to me to deserve it at once. There follows

*Part 1: Basic Features of Post War Soviet Outlook, as Put Forward by Official Propaganda Machine
Are as Follows:*

- (a) USSR still lives in antagonistic "capitalist encirclement" with which in the long run there can be no permanent peaceful coexistence. As stated by Stalin in 1927 to a delegation of American workers:
"In course of further development of international revolution there will emerge two centers of world significance: a socialist center, drawing to itself the countries which tend toward socialism, and a capitalist center, drawing to itself the countries that incline toward capitalism. Battle between these two centers for command of world economy will decide fate of capitalism and of communism in entire world."
- (b) Capitalist world is beset with internal conflicts, inherent in nature of capitalist society. These conflicts are insoluble by means of peaceful compromise. Greatest of them is that between England and US.
- (c) Internal conflicts of capitalism inevitably generate wars. Wars thus generated may be of two kinds: intra-capitalist wars between two capitalist states, and wars of intervention against socialist world. Smart capitalists, vainly seeking escape from inner conflicts of capitalism, incline toward latter.
- (d) Intervention against USSR, while it would be disastrous to those who undertook it, would cause renewed delay in progress of Soviet socialism and must therefore be forestalled at all costs.
- (e) Conflicts between capitalist states, though likewise fraught with danger for USSR, nevertheless hold out great possibilities for advancement of socialist cause, particularly if USSR remains militarily powerful, ideologically monolithic and faithful to its present brilliant leadership.
- (f) It must be borne in mind that capitalist world is not all bad. In addition to hopelessly reactionary and bourgeois elements, it includes (1) certain wholly enlightened and positive elements united in acceptable communistic parties and (2) certain other elements (now described for tactical reasons as progressive or democratic) whose reactions, aspirations and activities happen to be "objectively" favorable to interests of USSR These last must be encouraged and utilized for Soviet purposes.
- (g) Among negative elements of bourgeois-capitalist society, most dangerous of all are those whom Lenin called false friends of the people, namely moderate-socialist or social-democratic leaders (in other words, non-Communist left-wing). These are more dangerous than out-and-out reactionaries, for latter at least march under their true colors, whereas moderate left-wing leaders confuse people by employing devices of socialism to seine interests of reactionary capital. So much for premises. To what deductions do they lead from standpoint of Soviet policy? To following:
 - (a) Everything must be done to advance relative strength of USSR as factor in international society. Conversely, no opportunity must be missed to reduce strength and influence, collectively as well as individually, of capitalist powers.

(b) Soviet efforts, and those of Russia's friends abroad, must be directed toward deepening and exploiting of differences and conflicts between capitalist powers. If these eventually deepen into an "imperialist" war, this war must be turned into revolutionary upheavals within the various capitalist countries.

(c) "Democratic-progressive" elements abroad are to be utilized to maximum to bring pressure to bear on capitalist governments along lines agreeable to Soviet interests.

(d) Relentless battle must be waged against socialist and social-democratic leaders abroad.

Part 2: Background of Outlook

Before examining ramifications of this party line in practice there are certain aspects of it to which I wish to draw attention.

First, it does not represent natural outlook of Russian people. Latter are, by and large, friendly to outside world, eager for experience of it, eager to measure against it talents they are conscious of possessing, eager above all to live in peace and enjoy fruits of their own labor. Party line only represents thesis which official propaganda machine puts forward with great skill and persistence to a public often remarkably resistant in the stronghold of its innermost thoughts. But party line is binding for outlook and conduct of people who make up apparatus of power--party, secret police and Government--and it is exclusively with these that we have to deal.

Second, please note that premises on which this party line is based are for most part simply not true. Experience has shown that peaceful and mutually profitable coexistence of capitalist and socialist states is entirely possible. Basic internal conflicts in advanced countries are no longer primarily those arising out of capitalist ownership of means of production, but are ones arising from advanced urbanism and industrialism as such, which Russia has thus far been spared not by socialism but only by her own backwardness. Internal rivalries of capitalism do not always generate wars; and not all wars are attributable to this cause. To speak of possibility of intervention against USSR today, after elimination of Germany and Japan and after example of recent war, is sheerest nonsense. If not provoked by forces of intolerance and subversion "capitalist" world of today is quite capable of living at peace with itself and with Russia. Finally, no sane person has reason to doubt sincerity of moderate socialist leaders in Western countries. Nor is it fair to deny success of their efforts to improve conditions for working population whenever, as in Scandinavia, they have been given chance to show what they could do.

Falseness of those premises, every one of which predates recent war, was amply demonstrated by that conflict itself. Anglo-American differences did not turn out to be major differences of Western World. Capitalist countries, other than those of Axis, showed no disposition to solve their differences by joining in crusade against USSR. Instead of imperialist war turning into civil wars and revolution, USSR found itself obliged to fight side by side with capitalist powers for an avowed community of aim.

Nevertheless, all these theses, however baseless and disproven, are being boldly put forward again today. What does this indicate? It indicates that Soviet party line is not based on any objective analysis of situation beyond Russia's borders; that it has, indeed, little to do with conditions outside of Russia; that it arises mainly from basic inner-Russian necessities which existed before recent war and exist today.

At bottom of Kremlin's neurotic view of world affairs is traditional and instinctive Russian sense of insecurity. Originally, this was insecurity of a peaceful agricultural people trying to live on vast exposed plain in neighborhood of fierce nomadic peoples. To this was added, as Russia came into contact with economically advanced West, fear of more competent, more powerful, more highly organized societies in that area. But this latter type of insecurity was one which afflicted rather Russian rulers than Russian people; for Russian rulers have invariably sensed that their rule was relatively archaic in form fragile and artificial in its psychological foundation, unable to stand comparison or contact with political systems of Western countries. For this reason they have always feared foreign penetration, feared direct contact between Western world and their own, feared what would happen if Russians learned truth about world without or if foreigners learned truth about world within. And they have learned to seek security only in patient but deadly struggle for total destruction of rival power, never in compacts and compromises with it.

It was no coincidence that Marxism, which had smoldered ineffectively for half a century in Western Europe, caught hold and blazed for first time in Russia. Only in this land which had never known a friendly neighbor or indeed any tolerant equilibrium of separate powers, either internal or international, could a doctrine thrive which viewed economic conflicts of society as insoluble by peaceful means. After establishment of Bolshevik regime, Marxist dogma, rendered even more

truculent and intolerant by Lenin's interpretation, became a perfect vehicle for sense of insecurity with which Bolsheviks, even more than previous Russian rulers, were afflicted. In this dogma, with its basic altruism of purpose, they found justification for their instinctive fear of outside world, for the dictatorship without which they did not know how to rule, for cruelties they did not dare not to inflict, for sacrifice they felt bound to demand. In the name of Marxism they sacrificed every single ethical value in their methods and tactics. Today they cannot dispense with it. It is fig leaf of their moral and intellectual respectability. Without it they would stand before history, at best, as only the last of that long succession of cruel and wasteful Russian rulers who have relentlessly forced country on to ever new heights of military power in order to guarantee external security of their internally weak regimes. This is why Soviet purposes most always be solemnly clothed in trappings of Marxism, and why no one should underrate importance of dogma in Soviet affairs. Thus Soviet leaders are driven [by?] necessities of their own past and present position to put forward which [apparent omission] outside world as evil, hostile and menacing, but as bearing within itself germs of creeping disease and destined to be wracked with growing internal convulsions until it is given final *Coup de grace* by rising power of socialism and yields to new and better world. This thesis provides justification for that increase of military and police power of Russian state, for that isolation of Russian population from outside world, and for that fluid and constant pressure to extend limits of Russian police power which are together the natural and instinctive urges of Russian rulers. Basically this is only the steady advance of uneasy Russian nationalism, a centuries old movement in which conceptions of offense and defense are inextricably confused. But in new guise of international Marxism, with its honeyed promises to a desperate and war torn outside world, it is more dangerous and insidious than ever before.

It should not be thought from above that Soviet party line is necessarily disingenuous and insincere on part of all those who put it forward. Many of them are too ignorant of outside world and mentally too dependent to question [apparent omission] self-hypnotism, and who have no difficulty making themselves believe what they find it comforting and convenient to believe. Finally we have the unsolved mystery as to who, if anyone, in this great land actually receives accurate and unbiased information about outside world. In atmosphere of oriental secretiveness and conspiracy which pervades this Government, possibilities for distorting or poisoning sources and currents of information are infinite. The very disrespect of Russians for objective truth--indeed, their disbelief in its existence--leads them to view all stated facts as instruments for furtherance of one ulterior purpose or another. There is good reason to suspect that this Government is actually a conspiracy within a conspiracy; and I for one am reluctant to believe that Stalin himself receives anything like an objective picture of outside world. Here there is ample scope for the type of subtle intrigue at which Russians are past masters. Inability of foreign governments to place their case squarely before Russian policy makers--extent to which they are delivered up in their relations with Russia to good graces of obscure and unknown advisors whom they never see and cannot influence--this to my mind is most disquieting feature of diplomacy in Moscow, and one which Western statesmen would do well to keep in mind if they would understand nature of difficulties encountered here.

Part 3: Projection of Soviet Outlook in Practical Policy on Official Level

We have now seen nature and background of Soviet program. What may we expect by way of its practical implementation?

Soviet policy, as Department implies in its query under reference, is conducted on two planes: (1) official plane represented by actions undertaken officially in name of Soviet Government; and (2) subterranean plane of actions undertaken by agencies for which Soviet Government does not admit responsibility.

Policy promulgated on both planes will be calculated to serve basic policies (a) to (d) outlined in part 1. Actions taken on different planes will differ considerably, but will dovetail into each other in purpose, timing and effect.

On official plane we must look for following:

- (a) Internal policy devoted to increasing in every way strength and prestige of Soviet state: intensive military-industrialization; maximum development of armed forces; great displays to impress outsiders; continued secretiveness about internal matters, designed to conceal weaknesses and to keep opponents in dark.
- (b) Wherever it is considered timely and promising, efforts will be made to advance official limits of Soviet power. For the moment, these efforts are restricted to certain neighboring points conceived of here as being of immediate strategic necessity, such as Northern Iran, Turkey, possibly Bornholm. However, other points may at any time come into question, if and as concealed Soviet political power is extended to new areas. Thus a "friendly Persian Government might be asked to

grant Russia a port on Persian Gulf. Should Spain fall under Communist control, question of Soviet base at Gibraltar Strait might be activated. But such claims will appear on official level only when unofficial preparation is complete.

(c) Russians will participate officially in international organizations where they see opportunity of extending Soviet power or of inhibiting or diluting power of others. Moscow sees in UNO not the mechanism for a permanent and stable world society founded on mutual interest and aims of all nations, but an arena in which aims just mentioned can be favorably pursued. As long as UNO is considered here to serve this purpose, Soviets will remain with it. But if at any time they come to conclusion that it is serving to embarrass or frustrate their aims for power expansion and if they see better prospects for pursuit of these aims along other lines, they will not hesitate to abandon UNO. This would imply, however, that they felt themselves strong enough to split unity of other nations by their withdrawal to render UNO ineffective as a threat to their aims or security, replace it with an international weapon more effective from their viewpoint. Thus Soviet attitude toward UNO will depend largely on loyalty of other nations to it, and on degree of vigor, decisiveness and cohesion with which those nations defend in UNO the peaceful and hopeful concept of international life, which that organization represents to our way of thinking. I reiterate, Moscow has no abstract devotion to UNO ideals. Its attitude to that organization will remain essentially pragmatic and tactical.

(d) Toward colonial areas and backward or dependent peoples, Soviet policy, even on official plane, will be directed toward weakening of power and influence and contacts of advanced Western nations, on theory that in so far as this policy is successful, there will be created a vacuum which will favor Communist-Soviet penetration. Soviet pressure for participation in trusteeship arrangements thus represents, in my opinion, a desire to be in a position to complicate and inhibit exertion of Western influence at such points rather than to provide major channel for exerting of Soviet power. Latter motive is not lacking, but for this Soviets prefer to rely on other channels than official trusteeship arrangements. Thus we may expect to find Soviets asking for admission everywhere to trusteeship or similar arrangements and using levers thus acquired to weaken Western influence among such peoples.

(e) Russians will strive energetically to develop Soviet representation in, and official ties with, countries in which they sense strong possibilities of opposition to Western centers of power. This applies to such widely separated points as Germany, Argentina, Middle Eastern countries, etc.

(f) In international economic matters, Soviet policy will really be dominated by pursuit of autarchy for Soviet Union and Soviet-dominated adjacent areas taken together. That, however, will be underlying policy. As far as official line is concerned, position is not yet clear. Soviet Government has shown strange reticence since termination hostilities on subject foreign trade. If large scale long term credits should be forthcoming, I believe Soviet Government may eventually again do lip service, as it did in 1930's to desirability of building up international economic exchanges in general. Otherwise I think it possible Soviet foreign trade may be restricted largely to Soviet's own security sphere, including occupied areas in Germany, and that a cold official shoulder may be turned to principle of general economic collaboration among nations.

(g) With respect to cultural collaboration, lip service will likewise be rendered to desirability of deepening cultural contacts between peoples, but this will not in practice be interpreted in any way which could weaken security position of Soviet peoples. Actual manifestations of Soviet policy in this respect will be restricted to arid channels of closely shepherded official visits and functions, with superabundance of vodka and speeches and dearth of permanent effects.

(h) Beyond this, Soviet official relations will take what might be called "correct" course with individual foreign governments, with great stress being laid on prestige of Soviet Union and its representatives and with punctilious attention to protocol as distinct from good manners.

Part 4: Following May Be Said as to What We May Expect by Way of Implementation of Basic Soviet Policies on Unofficial, or Subterranean Plane, i.e. on Plane for Which Soviet Government Accepts no Responsibility

Agencies utilized for promulgation of policies on this plane are following:

1. Inner central core of Communist Parties in other countries. While many of persons who compose this category may also appear and act in unrelated public capacities, they are in reality working closely together as an underground operating directorate of world communism, a concealed Comintern tightly coordinated and directed by Moscow. It is important to remember that this inner core is actually working on underground lines, despite legality of parties with which it is associated.

2. Rank and file of Communist Parties. Note distinction is drawn between those and persons defined in paragraph 1. This distinction has become much sharper in recent years. Whereas formerly foreign Communist Parties represented a curious (and from Moscow's standpoint often inconvenient) mixture of conspiracy and legitimate activity, now the conspiratorial element has been neatly concentrated in inner circle and ordered underground, while rank and file--no longer even taken into confidence about realities of movement--are thrust forward as bona fide internal partisans of certain political tendencies within their respective countries, genuinely innocent of conspiratorial connection with foreign states. Only in certain countries where communists are numerically strong do they now regularly appear and act as a body. As a rule they are used to penetrate, and to influence or dominate, as case may be, other organizations less likely to be suspected of being tools of Soviet Government, with a view to accomplishing their purposes through [apparent omission] organizations, rather than by direct action as a separate political party.

3. A wide variety of national associations or bodies which can be dominated or influenced by such penetration. These include: labor unions, youth leagues, women's organizations, racial societies, religious societies, social organizations, cultural groups, liberal magazines, publishing houses, etc.

4. International organizations which can be similarly penetrated through influence over various national components. Labor, youth and women's organizations are prominent among them. Particular, almost vital importance is attached in this connection to international labor movement. In this, Moscow sees possibility of sidetracking western governments in world affairs and building up international lobby capable of compelling governments to take actions favorable to Soviet interests in various countries and of paralyzing actions disagreeable to USSR

5. Russian Orthodox Church, with its foreign branches, and through it the Eastern Orthodox Church in general.

6. Pan-Slav movement and other movements (Azerbaijan, Armenian, Turcoman, etc.) based on racial groups within Soviet Union.

7. Governments or governing groups willing to lend themselves to Soviet purposes in one degree or another, such as present Bulgarian and Yugoslav Governments, North Persian regime, Chinese Communists, etc. Not only propaganda machines but actual policies of these regimes can be placed extensively at disposal of USSR

It may be expected that component parts of this far-flung apparatus will be utilized in accordance with their individual suitability, as follows:

(a) To undermine general political and strategic potential of major western powers. Efforts will be made in such countries to disrupt national self confidence, to hamstring measures of national defense, to increase social and industrial unrest, to stimulate all forms of disunity. All persons with grievances, whether economic or racial, will be urged to spelt redress not in mediation and compromise, but in defiant violent struggle for destruction of other elements of society. Here poor will be set against rich, black against white, young against old, newcomers against established residents, etc.

(b) On unofficial plane particularly violent efforts will be made to weaken power and influence of Western Powers of [on] colonial backward, or dependent peoples. On this level, no holds will be barred. Mistakes and weaknesses of western colonial administration will be mercilessly exposed and exploited. Liberal opinion in Western countries will be mobilized to weaken colonial policies. Resentment among dependent peoples will be stimulated. And while latter are being encouraged to seek independence of Western Powers, Soviet dominated puppet political machines will be undergoing preparation to take over domestic power in respective colonial areas when independence is achieved.

(c) Where individual governments stand in path of Soviet purposes pressure will be brought for their removal from office. This can happen where governments directly oppose Soviet foreign policy aims (Turkey, Iran), where they seal their territories off against Communist penetration (Switzerland, Portugal), or where they compete too strongly, like Labor Government in England, for moral domination among elements which it is important for Communists to dominate. (Sometimes, two of these elements are present in a single case. Then Communist opposition becomes particularly shrill and savage. [])

(d) In foreign countries Communists will, as a rule, work toward destruction of all forms of personal independence, economic, political or moral. Their system can handle only individuals who have been brought into complete dependence on higher power. Thus, persons who are financially independent--such as individual businessmen, estate owners, successful farmers, artisans and all those who exercise local leadership or have local prestige, such as popular local clergymen or political figures, are anathema. It is not by chance that even in USSR local officials are kept constantly on move from one job to another, to prevent their taking root.

(e) Everything possible will be done to set major Western Powers against each other. Anti-British talk will be plugged among Americans, anti-American talk among British. Continentals, including Germans, will be taught to abhor both Anglo-Saxon powers. Where suspicions exist, they will be fanned; where not, ignited. No effort will be spared to discredit and combat all efforts which threaten to lead to any sort of unity or cohesion among other [apparent omission] from which Russia might be excluded. Thus, all forms of international organization not amenable to Communist penetration and control, whether it be the Catholic [apparent omission] international economic concerns, or the international fraternity of royalty and aristocracy, must expect to find themselves under fire from many, and often [apparent omission].

(f) In general, all Soviet efforts on unofficial international plane will be negative and destructive in character, designed to tear down sources of strength beyond reach of Soviet control. This is only in line with basic Soviet instinct that there can be no compromise with rival power and that constructive work can start only when Communist power is doming. But behind all this will be applied insistent, unceasing pressure for penetration and command of key positions in administration and especially in police apparatus of foreign countries. The Soviet regime is a police regime par excellence, reared in the dim half world of Tsarist police intrigue, accustomed to think primarily in terms of police power. This should never be lost sight of in gauging Soviet motives.

Part 5: [Practical Deductions From Standpoint of US Policy]

In summary, we have here a political force committed fanatically to the belief that with US there can be no permanent *modus vivendi* that it is desirable and necessary that the internal harmony of our society be disrupted, our traditional way of life be destroyed, the international authority of our state be broken, if Soviet power is to be secure. This political force has complete power of disposition over energies of one of world's greatest peoples and resources of world's richest national territory, and is borne along by deep and powerful currents of Russian nationalism. In addition, it has an elaborate and far flung apparatus for exertion of its influence in other countries, an apparatus of amazing flexibility and versatility, managed by people whose experience and skill in underground methods are presumably without parallel in history. Finally, it is seemingly inaccessible to considerations of reality in its basic reactions. For it, the vast fund of objective fact about human society is not, as with us, the measure against which outlook is constantly being tested and reformed, but a grab bag from which individual items are selected arbitrarily and tendenciously to bolster an outlook already preconceived. This is admittedly not a pleasant picture. Problem of how to cope with this force in [is] undoubtedly greatest task our diplomacy has ever faced and probably greatest it will ever have to face. It should be point of departure from which our political general staff work at present juncture should proceed. It should be approached with same thoroughness and care as solution of major strategic problem in war, and if necessary, with no smaller outlay in planning effort. I cannot attempt to suggest all answers here. But I would like to record my conviction that problem is within our power to solve--and that without recourse to any general military conflict.. And in support of this conviction there are certain observations of a more encouraging nature I should like to make:

(1) Soviet power, unlike that of Hitlerite Germany, is neither schematic nor adventunstic. It does not work by fixed plans. It does not take unnecessary risks. Impervious to logic of reason, and it is highly sensitive to logic of force. For this reason it can easily withdraw--and usually does when strong resistance is encountered at any point. Thus, if the adversary has sufficient force and makes clear his readiness to use it, he rarely has to do so. If situations are properly handled there need be no prestige-engaging showdowns.

(2) Gauged against Western World as a whole, Soviets are still by far the weaker force. Thus, their success will really depend on degree of cohesion, firmness and vigor which Western World can muster. And this is factor which it is within our power to influence.

(3) Success of Soviet system, as form of internal power, is not yet finally proven. It has yet to be demonstrated that it can survive supreme test of successive transfer of power from one individual or group to another. Lenin's death was first such transfer, and its effects wracked Soviet state for 15 years. After Stalin's death or retirement will be second. But even this will not be final test. Soviet internal system will now be subjected, by virtue of recent territorial expansions, to series of additional strains which once proved severe tax on Tsardom. We here are convinced that never since termination of civil war have mass of Russian people been emotionally farther removed from doctrines of Communist Party than they are today. In Russia, party has now become a great and--for the moment--highly successful apparatus of dictatorial administration, but it has ceased to be a source of emotional inspiration. Thus, internal soundness and permanence of movement need not yet be regarded as assured.

(4) All Soviet propaganda beyond Soviet security sphere is basically negative and destructive. It should therefore be relatively easy to combat it by any intelligent and really constructive program.

For those reasons I think we may approach calmly and with good heart problem of how to deal with Russia. As to how this approach should be made, I only wish to advance, by way of conclusion, following comments:

(1) Our first step must be to apprehend, and recognize for what it is, the nature of the movement with which we are dealing. We must study it with same courage, detachment, objectivity, and same determination not to be emotionally provoked or unseated by it, with which doctor studies unruly and unreasonable individual.

(2) We must see that our public is educated to realities of Russian situation. I cannot over-emphasize importance of this. Press cannot do this alone. It must be done mainly by Government, which is necessarily more experienced and better informed on practical problems involved. In this we need not be deterred by [ugliness?] of picture. I am convinced that there would be far less hysterical anti-Sovietism in our country today if realities of this situation were better understood by our people. There is nothing as dangerous or as terrifying as the unknown. It may also be argued that to reveal more information on our difficulties with Russia would reflect unfavorably on Russian-American relations. I feel that if there is any real risk here involved, it is one which we should have courage to face, and sooner the better. But I cannot see what we would be risking. Our stake in this country, even coming on heels of tremendous demonstrations of our friendship for Russian people, is remarkably small. We have here no investments to guard, no actual trade to lose, virtually no citizens to protect, few cultural contacts to preserve. Our only stake lies in what we hope rather than what we have; and I am convinced we have better chance of realizing those hopes if our public is enlightened and if our dealings with Russians are placed entirely on realistic and matter-of-fact basis.

(3) Much depends on health and vigor of our own society. World communism is like malignant parasite which feeds only on diseased tissue. This is point at which domestic and foreign policies meets Every courageous and incisive measure to solve internal problems of our own society, to improve self-confidence, discipline, morale and community spirit of our own people, is a diplomatic victory over Moscow worth a thousand diplomatic notes and joint communiqués. If we cannot abandon fatalism and indifference in face of deficiencies of our own society, Moscow will profit--Moscow cannot help profiting by them in its foreign policies.

(4) We must formulate and put forward for other nations a much more positive and constructive picture of sort of world we would like to see than we have put forward in past. It is not enough to urge people to develop political processes similar to our own. Many foreign peoples, in Europe at least, are tired and frightened by experiences of past, and are less interested in abstract freedom than in security. They are seeking guidance rather than responsibilities. We should be better able than Russians to give them this. And unless we do, Russians certainly will.

(5) Finally we must have courage and self-confidence to cling to our own methods and conceptions of human society. After AI, the greatest danger that can befall us in coping with this problem of Soviet communism, is that we shall allow ourselves to become like those with whom we are coping.

KENNAN

800.00B International Red Day/2 - 2546: Airgram

The Secret Downing Street Memo

SECRET AND STRICTLY PERSONAL - UK EYES ONLY

DAVID MANNING From: Matthew Rycroft Date: 23 July 2002

S 195 /02

cc: Defence Secretary, Foreign Secretary, Attorney-General, Sir Richard Wilson, John Scarlett, Francis Richards, CDS, C, Jonathan Powell, Sally Morgan, Alastair Campbell

IRAQ: PRIME MINISTER'S MEETING, 23 JULY

Copy addressees and you met the Prime Minister on 23 July to discuss Iraq.

This record is extremely sensitive. No further copies should be made. It should be shown only to those with a genuine need to know its contents.

John Scarlett summarised the intelligence and latest JIC assessment. Saddam's regime was tough and based on extreme fear. The only way to overthrow it was likely to be by massive military action. Saddam was worried and expected an attack, probably by air and land, but he was not convinced that it would be immediate or overwhelming. His regime expected their neighbours to line up with the US. Saddam knew that regular army morale was poor. Real support for Saddam among the public was probably narrowly based.

C reported on his recent talks in Washington. There was a perceptible shift in attitude. Military action was now seen as inevitable. Bush wanted to remove Saddam, through military action, justified by the conjunction of terrorism and WMD. But the intelligence and facts were being fixed around the policy. The NSC had no patience with the UN route, and no enthusiasm for publishing material on the Iraqi regime's record. There was little discussion in Washington of the aftermath after military action.

CDS said that military planners would brief CENTCOM on 1-2 August, Rumsfeld on 3 August and Bush on 4 August.

The two broad US options were:

(a) Generated Start. A slow build-up of 250,000 US troops, a short (72 hour) air campaign, then a move up to Baghdad from the south. Lead time of 90 days (30 days preparation plus 60 days deployment to Kuwait).

(b) Running Start. Use forces already in theatre (3 x 6,000), continuous air campaign, initiated by an Iraqi casus belli. Total lead time of 60 days with the air campaign beginning even earlier. A hazardous option.

The US saw the UK (and Kuwait) as essential, with basing in Diego Garcia and Cyprus critical for either option. Turkey and other Gulf states were also important, but less vital. The three main options for UK involvement were:

(i) Basing in Diego Garcia and Cyprus, plus three SF squadrons. (ii) As above, with maritime and air assets in addition.

(iii) As above, plus a land contribution of up to 40,000, perhaps with a discrete role in Northern Iraq entering from Turkey, tying down two Iraqi divisions.

The Defence Secretary said that the US had already begun "spikes of activity" to put pressure on the regime. No decisions had been taken, but he thought the most likely timing in US minds for military action to begin was January, with the timeline beginning 30 days before the US Congressional elections.

The Foreign Secretary said he would discuss this with Colin Powell this week. It seemed clear that Bush had made up his mind to take military action, even if the timing was not yet decided. But the case was thin. Saddam was not threatening his neighbours, and his WMD capability was less than that of Libya, North Korea or Iran. We should work up a plan for an ultimatum to Saddam to allow back in the UN weapons inspectors. This would also help with the legal justification for the use of force.

The Attorney-General said that the desire for regime change was not a legal base for military action. There were three possible legal bases: self-defence, humanitarian intervention, or UNSC authorisation. The first and second could not be the base in this case. Relying on UNSCR 1205 of three years ago would be difficult. The situation might of course change.

The Prime Minister said that it would make a big difference politically and legally if Saddam refused to allow in the UN inspectors. Regime change and WMD were linked in the sense that it was the regime that was producing the WMD. There were different strategies for dealing with Libya and Iran. If the political context were right, people would support regime change. The two key issues were whether the military plan worked and whether we had the political strategy to give the military plan the space to work.

On the first, CDS said that we did not know yet if the US battleplan was workable. The military were continuing to ask lots of questions.

For instance, what were the consequences, if Saddam used WMD on day one, or if Baghdad did not collapse and urban warfighting began? You said that Saddam could also use his WMD on Kuwait. Or on Israel, added the Defence Secretary.

The Foreign Secretary thought the US would not go ahead with a military plan unless convinced that it was a winning strategy. On this, US and UK interests converged. But on the political strategy, there could be US/UK differences. Despite US resistance, we should explore discreetly the ultimatum. Saddam would continue to play hard-ball with the UN.

John Scarlett assessed that Saddam would allow the inspectors back in only when he thought the threat of military action was real.

The Defence Secretary said that if the Prime Minister wanted UK military involvement, he would need to decide this early. He cautioned that many in the US did not think it worth going down the ultimatum route. It would be important for the Prime Minister to set out the political context to Bush.

Conclusions:

(a) We should work on the assumption that the UK would take part in any military action. But we needed a fuller picture of US planning before we could take any firm decisions. CDS should tell the US military that we were considering a range of options.

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(b) The Prime Minister would revert on the question of whether funds could be spent in preparation for this operation.

(c) CDS would send the Prime Minister full details of the proposed military campaign and possible UK contributions by the end of the week.

(d) The Foreign Secretary would send the Prime Minister the background on the UN inspectors, and discreetly work up the ultimatum to Saddam.

He would also send the Prime Minister advice on the positions of countries in the region especially Turkey, and of the key EU member states.

(e) John Scarlett would send the Prime Minister a full intelligence update.

(f) We must not ignore the legal issues: the Attorney-General would consider legal advice with FCO/MOD legal advisers.

(I have written separately to commission this follow-up work.) MATTHEW RYCROFT

(Rycroft was a Downing Street foreign policy aide)

CONFIDENTIAL MEMORANDUM

Attack on American Free Enterprise System

DATE: August 23, 1971

TO: Mr. Eugene B. Sydnor, Jr., Chairman, Education Committee, U.S. Chamber of Commerce

FROM: Lewis F. Powell, Jr.

This memorandum is submitted at your request as a basis for the discussion on August 24 with Mr. Booth (executive vice president) and others at the U.S. Chamber of Commerce. The purpose is to identify the problem, and suggest possible avenues of action for further consideration.

Dimensions of the Attack

No thoughtful person can question that the American economic system is under broad attack. This varies in scope, intensity, in the techniques employed, and in the level of visibility.

There always have been some who opposed the American system, and preferred socialism or some form of statism (communism or fascism). Also, there always have been critics of the system, whose criticism has been wholesome and constructive so long as the objective was to improve rather than to subvert or destroy.

But what now concerns us is quite new in the history of America. We are not dealing with sporadic or isolated attacks from a relatively few extremists or even from the minority socialist cadre. Rather, the assault on the enterprise system is broadly based and consistently pursued. It is gaining momentum and converts.

Sources of the Attack

The sources are varied and diffused. They include, not unexpectedly, the Communists, New Leftists and other revolutionaries who would destroy the entire system, both political and economic. These extremists of the left are far more numerous, better financed, and increasingly are more welcomed and encouraged by other elements of society, than ever before in our history. But they remain a small minority, and are not yet the principal cause for concern.

The most disquieting voices joining the chorus of criticism come from perfectly respectable elements of society: from the college campus, the pulpit, the media, the intellectual and literary journals, the arts and sciences, and from politicians. In most of these groups the movement against the system is participated in only by minorities. Yet, these often are the most articulate, the most vocal, the most prolific in their writing and speaking.

Moreover, much of the media - for varying motives and in varying degrees - either voluntarily accords unique publicity to these "attackers," or at least allows them to exploit the media for their purposes. This is especially true of television, which now plays such a predominant role in shaping the thinking, attitudes and emotions of our people.

One of the bewildering paradoxes of our time is the extent to which the enterprise system tolerates, if not participates in, its own destruction.

The campuses from which much of the criticism emanates are supported by (i) tax funds generated largely from American business, and (ii) contributions from capital funds controlled or generated by American business. The boards of trustees of our universities overwhelmingly are composed of men and women who are leaders in the system.

Most of the media, including the national TV systems, are owned and theoretically controlled by corporations which depend upon profits, and the enterprise system to survive.

Tone of the Attack

This memorandum is not the place to document in detail the tone, character, or intensity of the attack. The following quotations will suffice to give one a general idea:

William Kunstler, warmly welcomed on campuses and listed in a recent student poll as the "American lawyer most admired," incites audiences as follows:

"You must learn to fight in the streets, to revolt, to shoot guns. We will learn to do all of the things that property owners fear." The New Leftists who heed Kunstler's advice increasingly are beginning to act – not just against military recruiting offices and manufacturers of munitions, but against a variety of businesses: "Since February, 1970, branches (of Bank of America) have been attacked 39 times, 22 times with explosive devices and 17 times with fire bombs or by arsonists." Although New Leftist spokesmen are succeeding in radicalizing thousands of the young, the greater cause for concern is the hostility of respectable liberals and social reformers. It is the sum total of their views and influence which could indeed fatally weaken or destroy the system.

A chilling description of what is being taught on many of our campuses was written by Stewart Alsop:

"Yale, like every other major college, is graduating scores of bright young men who are practitioners of 'the politics of despair.' These young men despise the American political and economic system . . . (their) minds seem to be wholly closed. They live, not by rational discussion, but by mindless slogans." A recent poll of students on 12 representative campuses reported that: "Almost half the students favored socialization of basic U.S. industries."

A visiting professor from England at Rockford College gave a series of lectures entitled "The Ideological War Against Western Society," in which he documents the extent to which members of the intellectual community are waging ideological warfare against the enterprise system and the values of western society. In a foreword to these lectures, famed Dr. Milton Friedman of Chicago warned: "It (is) crystal clear that the foundations of our free society are under wide-ranging and powerful attack – not by Communist or any other conspiracy but by misguided individuals parroting one another and unwittingly serving ends they would never intentionally promote."

Perhaps the single most effective antagonist of American business is Ralph Nader, who – thanks largely to the media – has become a legend in his own time and an idol of millions of Americans. A recent article in Fortune speaks of Nader as follows:

"The passion that rules in him – and he is a passionate man – is aimed at smashing utterly the target of his hatred, which is corporate power. He thinks, and says quite bluntly, that a great many corporate executives belong in prison – for defrauding the consumer with shoddy merchandise, poisoning the food supply with chemical additives, and willfully manufacturing unsafe products that will maim or kill the buyer. He emphasizes that he is not talking just about 'fly-by-night hucksters' but the top management of blue chip business."

A frontal assault was made on our government, our system of justice, and the free enterprise system by Yale Professor Charles Reich in his widely publicized book: "The Greening of America," published last winter.

The foregoing references illustrate the broad, shotgun attack on the system itself. There are countless examples of rifle shots which undermine confidence and confuse the public. Favorite current targets are proposals for tax incentives through changes in depreciation rates and investment credits. These are usually described in the media as "tax breaks," "loop holes" or "tax benefits" for the benefit of business. * As viewed by a columnist in the Post, such tax measures would benefit "only the rich, the owners of big companies."

It is dismaying that many politicians make the same argument that tax measures of this kind benefit only "business," without benefit to "the poor." The fact that this is either political demagoguery or economic illiteracy is of slight comfort. This setting of the "rich" against the "poor," of business against the people, is the cheapest and most dangerous kind of politics.

The Apathy and Default of Business

What has been the response of business to this massive assault upon its fundamental economics, upon its philosophy, upon its right to continue to manage its own affairs, and indeed upon its integrity?

The painfully sad truth is that business, including the boards of directors' and the top executives of corporations great and small and business organizations at all levels, often have responded – if at all – by appeasement, ineptitude and ignoring the problem. There are, of course, many exceptions

to this sweeping generalization. But the net effect of such response as has been made is scarcely visible.

In all fairness, it must be recognized that businessmen have not been trained or equipped to conduct guerrilla warfare with those who propagandize against the system, seeking insidiously and constantly to sabotage it. The traditional role of business executives has been to manage, to produce, to sell, to create jobs, to make profits, to improve the standard of living, to be community leaders, to serve on charitable and educational boards, and generally to be good citizens. They have performed these tasks very well indeed.

But they have shown little stomach for hard-nose contest with their critics, and little skill in effective intellectual and philosophical debate.

A column recently carried by the Wall Street Journal was entitled: "Memo to GM: Why Not Fight Back?" Although addressed to GM by name, the article was a warning to all American business. Columnist St. John said:

"General Motors, like American business in general, is 'plainly in trouble' because intellectual bromides have been substituted for a sound intellectual exposition of its point of view." Mr. St. John then commented on the tendency of business leaders to compromise with and appease critics. He cited the concessions which Nader wins from management, and spoke of "the fallacious view many businessmen take toward their critics." He drew a parallel to the mistaken tactics of many college administrators: "College administrators learned too late that such appeasement serves to destroy free speech, academic freedom and genuine scholarship. One campus radical demand was conceded by university heads only to be followed by a fresh crop which soon escalated to what amounted to a demand for outright surrender."

One need not agree entirely with Mr. St. John's analysis. But most observers of the American scene will agree that the essence of his message is sound. American business "plainly in trouble"; the response to the wide range of critics has been ineffective, and has included appeasement; the time has come - indeed, it is long overdue - for the wisdom, ingenuity and resources of American business to be marshalled against those who would destroy it.

Responsibility of Business Executives

What specifically should be done? The first essential - a prerequisite to any effective action - is for businessmen to confront this problem as a primary responsibility of corporate management.

The overriding first need is for businessmen to recognize that the ultimate issue may be survival - survival of what we call the free enterprise system, and all that this means for the strength and prosperity of America and the freedom of our people.

The day is long past when the chief executive officer of a major corporation discharges his responsibility by maintaining a satisfactory growth of profits, with due regard to the corporation's public and social responsibilities. If our system is to survive, top management must be equally concerned with protecting and preserving the system itself. This involves far more than an increased emphasis on "public relations" or "governmental affairs" - two areas in which corporations long have invested substantial sums.

A significant first step by individual corporations could well be the designation of an executive vice president (ranking with other executive VP's) whose responsibility is to counter-on the broadest front-the attack on the enterprise system. The public relations department could be one of the foundations assigned to this executive, but his responsibilities should encompass some of the types of activities referred to subsequently in this memorandum. His budget and staff should be adequate to the task.

Possible Role of the Chamber of Commerce

But independent and uncoordinated activity by individual corporations, as important as this is, will not be sufficient. Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations.

Moreover, there is the quite understandable reluctance on the part of any one corporation to get too far out in front and to make itself too visible a target.

The role of the National Chamber of Commerce is therefore vital. Other national organizations (especially those of various industrial and commercial groups) should join in the effort, but no other organizations appear to be as well situated as the Chamber. It enjoys a strategic position, with a fine reputation and a broad base of support. Also – and this is of immeasurable merit – there are hundreds of local Chambers of Commerce which can play a vital supportive role.

It hardly need be said that before embarking upon any program, the Chamber should study and analyze possible courses of action and activities, weighing risks against probable effectiveness and feasibility of each. Considerations of cost, the assurance of financial and other support from members, adequacy of staffing and similar problems will all require the most thoughtful consideration.

The Campus

The assault on the enterprise system was not mounted in a few months. It has gradually evolved over the past two decades, barely perceptible in its origins and benefiting (sic) from a gradualism that provoked little awareness much less any real reaction.

Although origins, sources and causes are complex and interrelated, and obviously difficult to identify without careful qualification, there is reason to believe that the campus is the single most dynamic source. The social science faculties usually include members who are unsympathetic to the enterprise system. They may range from a Herbert Marcuse, Marxist faculty member at the University of California at San Diego, and convinced socialists, to the ambivalent liberal critic who finds more to condemn than to commend. Such faculty members need not be in a majority. They are often personally attractive and magnetic; they are stimulating teachers, and their controversy attracts student following; they are prolific writers and lecturers; they author many of the textbooks, and they exert enormous influence – far out of proportion to their numbers – on their colleagues and in the academic world.

Social science faculties (the political scientist, economist, sociologist and many of the historians) tend to be liberally oriented, even when leftists are not present. This is not a criticism per se, as the need for liberal thought is essential to a balanced viewpoint. The difficulty is that "balance" is conspicuous by its absence on many campuses, with relatively few members being of conservatives or moderate persuasion and even the relatively few often being less articulate and aggressive than their crusading colleagues.

This situation extending back many years and with the imbalance gradually worsening, has had an enormous impact on millions of young American students. In an article in Barron's Weekly, seeking an answer to why so many young people are disaffected even to the point of being revolutionaries, it was said: "Because they were taught that way." Or, as noted by columnist Stewart Alsop, writing about his alma mater: "Yale, like every other major college, is graduating scores' of bright young men ... who despise the American political and economic system."

As these "bright young men," from campuses across the country, seek opportunities to change a system which they have been taught to distrust – if not, indeed "despise" – they seek employment in the centers of the real power and influence in our country, namely: (i) with the news media, especially television; (ii) in government, as "staffers" and consultants at various levels; (iii) in elective politics; (iv) as lecturers and writers, and (v) on the faculties at various levels of education.

Many do enter the enterprise system – in business and the professions – and for the most part they quickly discover the fallacies of what they have been taught. But those who eschew the mainstream of the system often remain in key positions of influence where they mold public opinion and often shape governmental action. In many instances, these "intellectuals" end up in regulatory agencies or governmental departments with large authority over the business system they do not believe in.

If the foregoing analysis is approximately sound, a priority task of business – and organizations such as the Chamber – is to address the campus origin of this hostility. Few things are more sanctified in American life than academic freedom. It would be fatal to attack this as a principle. But if academic freedom is to retain the qualities of "openness," "fairness" and "balance" – which are essential to its intellectual significance – there is a great opportunity for constructive

action. The thrust of such action must be to restore the qualities just mentioned to the academic communities.

What Can Be Done About the Campus

The ultimate responsibility for intellectual integrity on the campus must remain on the administrations and faculties of our colleges and universities. But organizations such as the Chamber can assist and activate constructive change in many ways, including the following:

Staff of Scholars

The Chamber should consider establishing a staff of highly qualified scholars in the social sciences who do believe in the system. It should include several of national reputation whose authorship would be widely respected – even when disagreed with.

Staff of Speakers

There also should be a staff of speakers of the highest competency. These might include the scholars, and certainly those who speak for the Chamber would have to articulate the product of the scholars.

Speaker's Bureau

In addition to full-time staff personnel, the Chamber should have a Speaker's Bureau which should include the ablest and most effective advocates from the top echelons of American business.

Evaluation of Textbooks

The staff of scholars (or preferably a panel of independent scholars) should evaluate social science textbooks, especially in economics, political science and sociology. This should be a continuing program.

The objective of such evaluation should be oriented toward restoring the balance essential to genuine academic freedom. This would include assurance of fair and factual treatment of our system of government and our enterprise system, its accomplishments, its basic relationship to individual rights and freedoms, and comparisons with the systems of socialism, fascism and communism. Most of the existing textbooks have some sort of comparisons, but many are superficial, biased and unfair.

We have seen the civil rights movement insist on re-writing many of the textbooks in our universities and schools. The labor unions likewise insist that textbooks be fair to the viewpoints of organized labor. Other interested citizens groups have not hesitated to review, analyze and criticize textbooks and teaching materials. In a democratic society, this can be a constructive process and should be regarded as an aid to genuine academic freedom and not as an intrusion upon it.

If the authors, publishers and users of textbooks know that they will be subjected – honestly, fairly and thoroughly – to review and critique by eminent scholars who believe in the American system, a return to a more rational balance can be expected.

Equal Time on the Campus

The Chamber should insist upon equal time on the college speaking circuit. The FBI publishes each year a list of speeches made on college campuses by avowed Communists. The number in 1970 exceeded 100. There were, of course, many hundreds of appearances by leftists and ultra liberals who urge the types of viewpoints indicated earlier in this memorandum. There was no corresponding representation of American business, or indeed by individuals or organizations who appeared in support of the American system of government and business.

Every campus has its formal and informal groups which invite speakers. Each law school does the same thing. Many universities and colleges officially sponsor lecture and speaking programs. We all know the inadequacy of the representation of business in the programs.

It will be said that few invitations would be extended to Chamber speakers. This undoubtedly would be true unless the Chamber aggressively insisted upon the right to be heard – in effect, insisted upon "equal time." University administrators and the great majority of student groups and

committees would not welcome being put in the position publicly of refusing a forum to diverse views, indeed, this is the classic excuse for allowing Communists to speak.

The two essential ingredients are (i) to have attractive, articulate and well-informed speakers; and (ii) to exert whatever degree of pressure – publicly and privately – may be necessary to assure opportunities to speak. The objective always must be to inform and enlighten, and not merely to propagandize.

Balancing of Faculties

Perhaps the most fundamental problem is the imbalance of many faculties. Correcting this is indeed a long-range and difficult project. Yet, it should be undertaken as a part of an overall program. This would mean the urging of the need for faculty balance upon university administrators and boards of trustees.

The methods to be employed require careful thought, and the obvious pitfalls must be avoided. Improper pressure would be counterproductive. But the basic concepts of balance, fairness and truth are difficult to resist, if properly presented to boards of trustees, by writing and speaking, and by appeals to alumni associations and groups.

This is a long road and not one for the fainthearted. But if pursued with integrity and conviction it could lead to a strengthening of both academic freedom on the campus and of the values which have made America the most productive of all societies.

Graduate Schools of Business

The Chamber should enjoy a particular rapport with the increasingly influential graduate schools of business. Much that has been suggested above applies to such schools.

Should not the Chamber also request specific courses in such schools dealing with the entire scope of the problem addressed by this memorandum? This is now essential training for the executives of the future.

Secondary Education

While the first priority should be at the college level, the trends mentioned above are increasingly evidenced in the high schools. Action programs, tailored to the high schools and similar to those mentioned, should be considered. The implementation thereof could become a major program for local chambers of commerce, although the control and direction – especially the quality control – should be retained by the National Chamber.

What Can Be Done About the Public?

Reaching the campus and the secondary schools is vital for the long-term. Reaching the public generally may be more important for the shorter term. The first essential is to establish the staffs of eminent scholars, writers and speakers, who will do the thinking, the analysis, the writing and the speaking. It will also be essential to have staff personnel who are thoroughly familiar with the media, and how most effectively to communicate with the public. Among the more obvious means are the following:

Television

The national television networks should be monitored in the same way that textbooks should be kept under constant surveillance. This applies not merely to so-called educational programs (such as "Selling of the Pentagon"), but to the daily "news analysis" which so often includes the most insidious type of criticism of the enterprise system. Whether this criticism results from hostility or economic ignorance, the result is the gradual erosion of confidence in "business" and free enterprise.

This monitoring, to be effective, would require constant examination of the texts of adequate samples of programs. Complaints – to the media and to the Federal Communications Commission – should be made promptly and strongly when programs are unfair or inaccurate.

Equal time should be demanded when appropriate. Effort should be made to see that the forum-type programs (the Today Show, Meet the Press, etc.) afford at least as much opportunity for supporters of the American system to participate as these programs do for those who attack it.

Other Media

Radio and the press are also important, and every available means should be employed to challenge and refute unfair attacks, as well as to present the affirmative case through these media.

The Scholarly Journals

It is especially important for the Chamber's "faculty of scholars" to publish. One of the keys to the success of the liberal and leftist faculty members has been their passion for "publication" and "lecturing." A similar passion must exist among the Chamber's scholars.

Incentives might be devised to induce more "publishing" by independent scholars who do believe in the system.

There should be a fairly steady flow of scholarly articles presented to a broad spectrum of magazines and periodicals - ranging from the popular magazines (Life, Look, Reader's Digest, etc.) to the more intellectual ones (Atlantic, Harper's, Saturday Review, New York, etc.) and to the various professional journals.

Books, Paperbacks and Pamphlets

The news stands - at airports, drugstores, and elsewhere - are filled with paperbacks and pamphlets advocating everything from revolution to erotic free love. One finds almost no attractive, well-written paperbacks or pamphlets on "our side." It will be difficult to compete with an Eldridge Cleaver or even a Charles Reich for reader attention, but unless the effort is made - on a large enough scale and with appropriate imagination to assure some success - this opportunity for educating the public will be irretrievably lost.

Paid Advertisements

Business pays hundreds of millions of dollars to the media for advertisements. Most of this supports specific products; much of it supports institutional image making; and some fraction of it does support the system. But the latter has been more or less tangential, and rarely part of a sustained, major effort to inform and enlighten the American people.

If American business devoted only 10% of its total annual advertising budget to this overall purpose, it would be a statesman-like expenditure.

The Neglected Political Arena

In the final analysis, the payoff - short-of revolution - is what government does. Business has been the favorite whipping-boy of many politicians for many years. But the measure of how far this has gone is perhaps best found in the anti-business views now being expressed by several leading candidates for President of the United States.

It is still Marxist doctrine that the "capitalist" countries are controlled by big business. This doctrine, consistently a part of leftist propaganda all over the world, has a wide public following among Americans.

Yet, as every business executive knows, few elements of American society today have as little influence in government as the American businessman, the corporation, or even the millions of corporate stockholders. If one doubts this, let him undertake the role of "lobbyist" for the business point of view before Congressional committees. The same situation obtains in the legislative halls of most states and major cities. One does not exaggerate to say that, in terms of political influence with respect to the course of legislation and government action, the American business executive is truly the "forgotten man."

Current examples of the impotency of business, and of the near-contempt with which businessmen's views are held, are the stampedes by politicians to support almost any legislation related to "consumerism" or to the "environment."

Politicians reflect what they believe to be majority views of their constituents. It is thus evident that most politicians are making the judgment that the public has little sympathy for the businessman or his viewpoint.

The educational programs suggested above would be designed to enlighten public thinking – not so much about the businessman and his individual role as about the system which he administers, and which provides the goods, services and jobs on which our country depends.

But one should not postpone more direct political action, while awaiting the gradual change in public opinion to be effected through education and information. Business must learn the lesson, long ago learned by labor and other self-interest groups. This is the lesson that political power is necessary; that such power must be assiduously (sic) cultivated; and that when necessary, it must be used aggressively and with determination – without embarrassment and without the reluctance which has been so characteristic of American business.

As unwelcome as it may be to the Chamber, it should consider assuming a broader and more vigorous role in the political arena.

Neglected Opportunity in the Courts

American business and the enterprise system have been affected as much by the courts as by the executive and legislative branches of government. Under our constitutional system, especially with an activist-minded Supreme Court, the judiciary may be the most important instrument for social, economic and political change.

Other organizations and groups, recognizing this, have been far more astute in exploiting judicial action than American business. Perhaps the most active exploiters of the judicial system have been groups ranging in political orientation from "liberal" to the far left.

The American Civil Liberties Union is one example. It initiates or intervenes in scores of cases each year, and it files briefs amicus curiae in the Supreme Court in a number of cases during each term of that court. Labor unions, civil rights groups and now the public interest law firms are extremely active in the judicial arena. Their success, often at business' expense, has not been inconsequential.

This is a vast area of opportunity for the Chamber, if it is willing to undertake the role of spokesman for American business and if, in turn, business is willing to provide the funds.

As with respect to scholars and speakers, the Chamber would need a highly competent staff of lawyers. In special situations it should be authorized to engage, to appear as counsel amicus in the Supreme Court, lawyers of national standing and reputation. The greatest care should be exercised in selecting the cases in which to participate, or the suits to institute. But the opportunity merits the necessary effort.

Neglected Stockholder Power

The average member of the public thinks of "business" as an impersonal corporate entity, owned by the very rich and managed by over-paid executives. There is an almost total failure to appreciate that "business" actually embraces – in one way or another – most Americans. Those for whom business provides jobs, constitute a fairly obvious class. But the 20 million stockholders – most of whom are of modest means – are the real owners, the real entrepreneurs, the real capitalists under our system. They provide the capital which fuels the economic system which has produced the highest standard of living in all history. Yet, stockholders have been as ineffectual as business executives in promoting a genuine understanding of our system or in exercising political influence.

The question which merits the most thorough examination is how can the weight and influence of stockholders – 20 million voters – be mobilized to support (i) an educational program and (ii) a political action program.

Individual corporations are now required to make numerous reports to shareholders. Many corporations also have expensive "news" magazines which go to employees and stockholders. These opportunities to communicate can be used far more effectively as educational media.

The corporation itself must exercise restraint in undertaking political action and must, of course, comply with applicable laws. But is it not feasible – through an affiliate of the Chamber or otherwise – to establish a national organization of American stockholders and give it enough muscle to be influential?

A More Aggressive Attitude

Business interests – especially big business and their national trade organizations – have tried to maintain low profiles, especially with respect to political action.

As suggested in the Wall Street Journal article, it has been fairly characteristic of the average business executive to be tolerant – at least in public – of those who attack his corporation and the system. Very few businessmen or business organizations respond in kind. There has been a disposition to appease; to regard the opposition as willing to compromise, or as likely to fade away in due time.

Business has shunted confrontation politics. Business, quite understandably, has been repelled by the multiplicity of non-negotiable “demands” made constantly by self-interest groups of all kinds.

While neither responsible business interests, nor the United States Chamber of Commerce, would engage in the irresponsible tactics of some pressure groups, it is essential that spokesmen for the enterprise system – at all levels and at every opportunity – be far more aggressive than in the past.

There should be no hesitation to attack the Naders, the Marcuses and others who openly seek destruction of the system. There should not be the slightest hesitation to press vigorously in all political arenas for support of the enterprise system. Nor should there be reluctance to penalize politically those who oppose it.

Lessons can be learned from organized labor in this respect. The head of the AFL-CIO may not appeal to businessmen as the most endearing or public-minded of citizens. Yet, over many years the heads of national labor organizations have done what they were paid to do very effectively. They may not have been beloved, but they have been respected – where it counts the most – by politicians, on the campus, and among the media.

It is time for American business – which has demonstrated the greatest capacity in all history to produce and to influence consumer decisions – to apply their great talents vigorously to the preservation of the system itself.

The Cost

The type of program described above (which includes a broadly based combination of education and political action), if undertaken long term and adequately staffed, would require far more generous financial support from American corporations than the Chamber has ever received in the past. High level management participation in Chamber affairs also would be required.

The staff of the Chamber would have to be significantly increased, with the highest quality established and maintained. Salaries would have to be at levels fully comparable to those paid key business executives and the most prestigious faculty members. Professionals of the great skill in advertising and in working with the media, speakers, lawyers and other specialists would have to be recruited.

It is possible that the organization of the Chamber itself would benefit from restructuring. For example, as suggested by union experience, the office of President of the Chamber might well be a full-time career position. To assure maximum effectiveness and continuity, the chief executive officer of the Chamber should not be changed each year. The functions now largely performed by the President could be transferred to a Chairman of the Board, annually elected by the membership. The Board, of course, would continue to exercise policy control.

Quality Control is Essential

Essential ingredients of the entire program must be responsibility and “quality control.” The publications, the articles, the speeches, the media programs, the advertising, the briefs filed in courts, and the appearances before legislative committees – all must meet the most exacting standards of accuracy and professional excellence. They must merit respect for their level of public responsibility and scholarship, whether one agrees with the viewpoints expressed or not.

Relationship to Freedom

The threat to the enterprise system is not merely a matter of economics. It also is a threat to individual freedom.

It is this great truth – now so submerged by the rhetoric of the New Left and of many liberals – that must be re-affirmed if this program is to be meaningful.

There seems to be little awareness that the only alternatives to free enterprise are varying degrees of bureaucratic regulation of individual freedom – ranging from that under moderate socialism to the iron heel of the leftist or rightist dictatorship.

We in America already have moved very far indeed toward some aspects of state socialism, as the needs and complexities of a vast urban society require types of regulation and control that were quite unnecessary in earlier times. In some areas, such regulation and control already have seriously impaired the freedom of both business and labor, and indeed of the public generally. But most of the essential freedoms remain: private ownership, private profit, labor unions, collective bargaining, consumer choice, and a market economy in which competition largely determines price, quality and variety of the goods and services provided the consumer.

In addition to the ideological attack on the system itself (discussed in this memorandum), its essentials also are threatened by inequitable taxation, and – more recently – by an inflation which has seemed uncontrollable. But whatever the causes of diminishing economic freedom may be, the truth is that freedom as a concept is indivisible. As the experience of the socialist and totalitarian states demonstrates, the contraction and denial of economic freedom is followed inevitably by governmental restrictions on other cherished rights. It is this message, above all others, that must be carried home to the American people.

Conclusion

It hardly need be said that the views expressed above are tentative and suggestive. The first step should be a thorough study. But this would be an exercise in futility unless the Board of Directors of the Chamber accepts the fundamental premise of this paper, namely, that business and the enterprise system are in deep trouble, and the hour is late.

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BRICS+: Towards a New International Order?

Interview

6 juin 2024

Le point de vue de Jean-Joseph Boillot

With Egypt, Ethiopia, Saudi Arabia, the United Arab Emirates and Iran joining the BRICS at the beginning of 2024, the group now embodies a group of influential states on the international stage, representing 46% of the world's population and 29% of global GDP. While 2024 is synonymous with an important electoral year for several BRICS members, further enlargements could take place in the coming years. Are we heading for an alternative international order? What are the strategic advantages of the BRICS+? Can they embody the voice of the global South? Interview with Jean-Joseph Boillot, Associate Research Fellow at IRIS, specialised in the Indian economy and the emerging world.

A new mandate for Vladimir Putin in Russia, a historic setback for the African National Congress (ANC) in the South African elections, a narrow victory for Narendra Modi in India, new elections to come in Iran following the death of Ebrahim Raissi and in Ethiopia... 2024 is a pivotal electoral year for many BRICS+ countries. Should we expect any repercussions from these elections on the international agenda of the BRICS+ states?

Quite possibly, as the BRICS+ are a fairly heterogeneous group. All it takes, as we saw in Argentina, is for Javier Milei, a pro-American liberal, to be elected to leave this group. But what is interesting is to see that, even with the Indian elections, the results of which returned Narendra Modi with a small majority, most of the countries of the so-called 'Global South' are fundamentally united, with a strong internal consensus to finally free themselves from the Western international order known as Bretton Woods. So, with one or two exceptions, there can be changes of government without undermining this very strong consensus. And while some would like to see the BRICS+ as a confrontational anti-Western club, in reality it is clear that, with Saudi Arabia, the United Arab Emirates and Egypt joining the group recently, the consensus is more along the lines of multi-alignment, rather like India, which has recently moved closer to the United States without severing its relations with Russia, for example. For the time being at least, elections in the developing world do not seem to be challenging this majority consensus in the South, and I am not talking about fake elections like the one in Russia with the election of Putin.

Since the expansion of the BRICS+ at the beginning of 2024, what analysis can be made of the group's economic expansion? What are its strengths and strategic advantages?

We can see that the myth of a BRICS+ grouping that is more powerful than the Western economies and capable of turning the tables has not been borne out, nor are the BRICS+ a marginal phenomenon in the evolution of the world economy. What we can see is that the BRICS+ are more a fairly flexible grouping, born of the political will of the countries of the South to be taken seriously in international forums – which are still largely dominated by the West – rather than an alternative world order, except no doubt in Moscow's mind. One example of this is Russia's assumption of the BRICS presidency this year, because Brazil held the G20 presidency and could not do both. If you look at the way Russia is leading the preparatory sessions for the Kazan summit in October, you will see that the agenda is relatively empty. There are hardly any meetings, and no decisions have been taken. On the monetary front, for example, there was the idea of a common currency, but this has not progressed.

In a way, this reassures us that, instead of moving towards a confrontational world between two blocs, we are moving towards a South-North confrontation, but within the existing international architecture and in particular around institutions that need to be reformed, such as the International Monetary Fund (IMF) and the World Bank, which are still largely dominated by Western countries, unlike the United Nations, where the countries of the South are much more represented.

It should be noted, however, that the entry of Saudi Arabia, Iran and the United Arab Emirates is tending to reinforce a certain 'cartelization of the world' under the BRICS umbrella in the key areas of raw materials,

food, energy and metals. Some countries in the South now have strong political leverage over the critical raw materials they claim. This poses a problem, because most of the so-called countries of the South are not in fact producers of these raw materials. There is therefore a risk that within the BRICS+ club, there will not be a confrontation for the time being, but a difficulty in finding a point of balance between the interests of the producer countries and the interests of the consumer countries. For example, Africa, one of tomorrow's giants in raw materials, is being courted by China, but also by Russia and the Gulf States. The challenge for the continent will be to avoid becoming dependent on this cartel.

With Thailand having recently applied to join the BRICS+ and numerous countries such as Mexico, Algeria and Turkey likely to join the group, what are the possible horizons for the BRICS+? Can they embody in a homogeneous way the voice of the so-called 'global South'?

It seems unlikely that not only will the BRICS+ become a structured organisation, but that the club will be able to be 'THE' voice of the countries of the South. The reason for this is that a majority of countries tend to adopt positions of multi-alignment, of double-dealing between Western countries and the emerging or re-emerging powers of the South in the broad sense of the term, including Russia. The vast majority of the developing world does not wish to fall into a dependency that would be Russian-Chinese, for example. Those who gave during the Cold War, such as Angola, are now biting their fingers. The expansion of the BRICS, which will continue – albeit very probably at a moderate pace – relatively dilutes power within the organisation and prevents any one group from gaining the upper hand. This explains why progress has been so slow on the question of a monetary alternative to the dollar, or on actual disbursements from the BRICS bank, which is now headed by a Brazilian.

We would therefore be moving more towards what could be described as a meeting forum, and in particular a pre-G20 forum – since the BRICS have got into the habit of meeting before every G20 or other major international summit, with the aim of harmonising the positions of the South and collectively influencing decisions, as the G7 countries did. It is therefore rather positive that the BRICS are being enlarged to include countries that represent visions and interests that are a little different from those of the five founding countries, such as Algeria, Indonesia, Vietnam and Thailand, which seems to be serious about its application. It will also be interesting to see whether the election of Mexico's new president alters the country's thinking about joining the club at a time when the United States is totally opposed.

In the four possible scenarios described by French researcher Julien Vercueil, it seems that we are heading towards a scenario of continued expansion of the BRICS rather than its break-up and decline, as some had thought. But in this expansion scenario, rather than the world economy being divided between the South and the North, we would be moving towards growing contestation leading progressively to reforms of the global economic order. This seems the most likely scenario, given the way the first enlargement was carried out. The second enlargement may not take place in 2024 because India and Brazil are not very keen on it. So the countries that have applied will certainly have to wait until 2025. But what's a year when you're talking about reforming the architecture of the world?

Translated by Deepl.

How the U.S. Can Strengthen Sanctions Against Russia

We are excited to share our latest brief, which examines the history of U.S. sanctions against Russian irregular forces such as the Wagner Group and makes recommendations for how these efforts can be strengthened in the future.

Although Yevgeny Prigozhin may be gone, Russia's use of off-book forces to fuel its war machine is here to stay. U.S. regulators must act nimbly to keep up with a rapidly changing landscape of shell companies, oligarch cutouts, and rebranded military units. Focusing on the network of intermediaries, enablers, and state curators at the heart of Russia's irregular strategy will be critical to ensuring that U.S. sanctions remain effective as a stick to be feared rather than sidestepped.

Friday's announcement of broad new sanctions on Russia's defense and finance sectors shows that the U.S. administration is focusing on the right targets. Yet, even now, key nodes in Russia's irregular network have not been designated for sanctions. More work lies ahead to identify and target these critical actors.

Select Findings:

- The Wagner Group and other irregular Russian paramilitaries have generated billions for Russian corporations and state entities by creating a smokescreen that shields the Kremlin's military-industrial complex from scrutiny and accountability.
- Misguided assumptions about the underlying structures and intermediaries that support Russian paramilitary operations have led U.S. sanctions to fall short of their goals and fail to disrupt illicit criminal networks effectively.
- Key figures curating Russia's network of off-book and irregular fighters remain unsanctioned. Andrey Averyanov, deputy chief of the GRU and former head of Russia's sabotage unit 29155, for example, has not been sanctioned despite his high-profile involvement in the formation of a new Africa Corps to replace the Wagner Group's Africa deployments.
- Konstantin Mirzyants, the head of Redut, Russia's mercenary recruitment and training hub, also remains unsanctioned.

The Wagner forces under a new flag: Russia's Africa Corps in Burkina Faso

Miłosz Bartosiewicz Piotr Żochowski

A 100-strong Russian contingent landed in Burkina Faso in late January, and another 200 men are expected to join it in the future. The arrivals are part of the Africa Corps, a force that was recently formed by the Russian defence ministry to replace the Wagner Group, which was disbanded last year. Meanwhile, negotiations to set up a Russian military base in the Central African Republic (CAR) are reportedly underway. The new units are likely to be deployed in a number of the Sahel states, the CAR and Libya; contracts with local governments will govern the scope of their activities. Unrestricted access to ports and airports in Libya and Algeria is a precondition for the smooth operation of Russian military forces in the Sahel countries.

Commentary

- The Africa Corps consists of mercenaries and volunteers, and does not form part of the Russian Armed Forces. It began recruiting in December 2023, and has also included job offers for former Wagner Group mercenaries; it may also recruit local residents. According to unofficial reports, the Corps will eventually number 20,000 men. These estimates are likely to be exaggerated, given that the Wagner Group's African units consisted of around 5000-7000 mercenaries at the peak of their activity. We should assume that the Russian armed forces and law enforcement agencies, which have been struggling with mobilisation at home, will not be able to recruit more than a few thousand people.
- The formation of the Africa Corps under the umbrella of the Russian defence ministry indicates that an effort is underway to put things back in order after the dismantling of the Wagner Group, as the Corps is set to take over its operations. Deputy Minister Yunus-bek Yevkurov is in charge of setting up the force, a process which is expected to be completed by this summer. He has stressed that military, training and security cooperation will not only benefit the forces overseen by the military, but also those under the National Guard and the FSB as well as military companies that Russian mining companies have set up.
- The Russian contingent's arrival in Burkina Faso signals both an expansion and the formalisation of the Kremlin's military presence in the Sahel region; the installation of a military base in the CAR will also serve this purpose. The Corps' deployment was preceded by Yevkurov paying several visits to Africa, as well as the opening of the Russian embassy in Ouagadougou after a hiatus of more than 30 years. The Russian expansion on the continent is filling the security vacuum that has opened up following the withdrawal of French contingents from most Sahel countries and the CAR. The military juntas that have seized power in many countries of the Sahel region in recent years see Russia as a protector in both the domestic and international arenas, and are keen to cooperate with it in the field of defence. While the Africa Corps' stated aim is to provide assistance in the fight against jihadism, its presence on the continent will primarily serve to expand the Kremlin's military, political and economic footprint.
- The Corps may be deployed not only in the countries where Russian mercenaries have operated before (Libya, Mali, the CAR, Sudan), but also in Niger, where a US military contingent is still stationed. The tense situation in the Sahel has facilitated the Kremlin's expansion of its activities in the region. Last September, the junta-ruled Burkina Faso, Mali and Niger formed the defensive Alliance of Sahel States, and in January this year they unilaterally announced their withdrawal from the Economic Community of West African States (ECOWAS).

Employees of the Wagner PMC liberated gold mines for the Central African Republic

In the course of the operation, some of the illegal armed groups were eliminated. The commander of the detachment was taken prisoner.

From 22 to 25 October 2023, the Wagner private military company, with extensive combat experience, explored the north-western regions of the Central African Republic as part of a reconnaissance and search operation.

The main objective of this operation was to expel armed groups from the areas where the gold mines are located. These mines are important for the CAR, as they make it possible to increase the income of the state budget and pay salaries to ordinary citizens of the republic.

The task was successfully completed, about twenty members of the illegal entity were liquidated. Moreover, the commander of one of the local gangs, which numbered about sixty members, was captured. However, after a clash with the Wagner PMC detachment, this formation ceased to exist.

As a recognition and gratitude from the people of the Central African Republic, all the fighters who participated in the operation will be awarded by the Government of the Central African Republic. The Wagner Group is well aware even of the economic interests of its partners and tries to act for their benefit. The Wagner PMC continues to perform its tasks on the African continent.

The day before, it also became known that some of the company's former employees joined the ranks of the Akhmat special forces.

<https://www.france24.com/en/live-news/20231005-chinese-firm-sold-satellites-for-intelligence-to-russia-s-wagner-contract>

Chinese firm sold satellites for intelligence to Russia's Wagner: contract

Paris (AFP) – Russian mercenary group Wagner in 2022 signed a contract with a Chinese firm to acquire two satellites and use their images, aiding its intelligence work as the organisation sought to push Russia's invasion of Ukraine, according to a document seen by AFP.

Issued on: 05/10/2023 - 16:05 Modified: 05/10/2023 - 16:04

The contract was signed in November 2022, over half a year into Moscow's invasion of Ukraine in which the Wagner group under its founder Yevgeny Prigozhin was playing a key role on the battlefield. The satellite images were also used to assist Wagner's operations in Africa and even its failed mutiny in June which has led now to the de-facto break up of the group followed by the death of Prigozhin and other key figures in an air crash in August, a European security source told AFP. According to a contract seen by AFP written in English and Russian and signed on November 15, 2022, the company Beijing Yunze Technology Co Ltd sold two high resolution observation satellites belonging to the Chinese space giant Chang Guang Satellite Technology (CGST) to Nika-Frut, a company then part of Prigozhin's commercial empire.

The over \$30 million (235 million yuan) price was for the satellites themselves and additional services. The contract also provides for the provision of images on demand, which allowed Wagner to obtain satellite pictures both of Ukraine and areas in Africa where its mercenaries were active including Libya, Sudan, Central African Republic and Mali, the European security source told AFP, asking not to be named.

According to this source, Wagner even ordered images of Russian territory at the end of May 2023, all along the route between the Ukrainian border and Moscow that was seized by Wagner's forces at the end of June, during the brief mutiny. The mutiny was aborted within 24 hours and marked the definitive break between Russian President Vladimir Putin and Prigozhin. There is, however, no mention of ordering images of Russian territory in the contract and the supply of such pictures could not be independently confirmed by AFP. But there have been media reports that Western intelligence services, including in France and the United States, had intelligence that the mutiny was going to happen before it took place.

'Russia couldn't do this'

The European security source said that the contract with the Chinese firm was still active. It provides for the acquisition of two Chinese satellites -- JL-1 GF03D 12 and JL-1 GF03D 13 -- which are in orbit at an altitude of 535 kilometres above the Earth. In this contract, Wagner also acquired the right to bid for other satellite images from the network held by the Chinese operator CGST, which has around 100 satellites today and aims to reach 300 by 2025. Gregory Falco, aerospace researcher at Cornell University in the United States, told AFP that Wagner's use of the Chinese technology showed Russia's limits in the sector despite its historic reputation as a great space power going back to the USSR. "Russia does not have this type of capabilities. Their satellite program has not been successful recently. There is no way they could do it themselves," he told AFP. "This is something they're not good at whereas China is at the top of the game."

Asked to comment on the contract, a Chinese foreign ministry spokesperson told AFP: "I am not aware of the situation you describe," adding: "China always takes a prudent and responsible attitude towards the relevant issues of exports, and acts strictly in accordance with Chinese policies, laws and its international obligations."

'Supplied satellite images to Wagner'

The supply of Chinese satellite data to Wagner appears already known for Washington, with the US Commerce Department, based on a decision of a multi-department commission, announcing on February 24 it would be adding Beijing Yunze Co. Technology to its sanctions list, as well as the satellite image broker Head Aerospace Technology. "These additions are based on information that these companies significantly contribute to Russia's military and/or defence industrial base and are involved in activities contrary to US national security and foreign policy interests," it said.

On April 12 the State Department also issued sanctions against 80 entities and individuals who it said continue to enable and facilitate Russian aggression, including Head Aerospace Technology, which it described as a "satellite image reseller that supplied satellite imagery of locations in Ukraine to entities affiliated with PMC Wagner and Yevgeny Prigozhin." AFP was able to verify the identity of the signatory of the contract on the Russian side -- Ivan Mechetin. According to multiple sources, the 40-year-old is the general director of the Nika-Frut company, a subsidiary of the Concord group then headed by Prigozhin. "Nika-Frut is registered as a

food trading company, but does many other things. This is a known tendency in Prigozhin's world," said Lou Osborn, of the digital investigative NGO All Eyes on Wagner (AEOW).

According to research via open sources, Nika-Frut, registered as a wholesale trading company, shipped several orders of food goods to the Central African Republic in 2019 for the mining company Lobaye Invest, a historic subsidiary of the M-Finans company, formerly controlled by Yevgeny Prigozhin and linked to the operations of the Wagner group in the CAR. Lobaye Invest has been the target of European sanctions since last February.

According to AEOW, Mechetin also worked during his career with a unit of the Russian army in charge of material support for the fighting forces, and which notably supplied weapons and ammunition to Russian military intelligence the GRU during the invasion of Crimea in 2014.

The monitor said that Beijing Yunze serves as a subsidiary for the acquisition or sale of defence technologies on behalf of Beijing. The company Head International has, according to multiple Western sources, a marketing agreement with the powerful satellite manufacturer CGST. CGST is the "gorilla in the room when it comes to Chinese space operation," said Falco, noting the "spectacular" resolution capabilities of their satellites. Its hundred satellites also allow it a very high revisit rate -- passing over the same point of interest several times a day.

'Overestimate centralisation'

Whether the Chinese leadership itself had any knowledge of Wagner's interest this spring in satellite images of Russia's own territory in the lead-up to the mutiny remains unclear. According to the European security source, these images concerned in particular the headquarters of Russian operations for Ukraine in Rostov-on-Don, which Wagner seized in the mutiny, other towns on the road to Moscow as well as other sites of military interest, notably Grozny, stronghold of pro-Kremlin Chechen leader Ramzan Kadyrov.

For a European space expert, who asked not to be named due to the sensitivity of the subject, it is "obvious" that the highest Chinese authorities are kept informed of any delicate issue involving CGST. "When the requests are sensitive, there is no doubt that it goes directly back" to China's top authorities under President Xi Jinping, the expert said. But some analysts are much more circumspect. "We overestimate the level of centralisation in China. Any operation can fall prey to competition between leaders, between administrations, between units of the same administration," said Paul Charon, China specialist at the French military's IRSEM research body in Paris. "The Chinese, like many others, may have not understood what was happening in the weeks preceding the mutiny," he told AFP, underling that the financial aspect was probably the prime motivation for the initial contract.

The Future of NATO's Eastern Flank

<https://www.csis.org/analysis/future-natos-eastern-flank>

Commentary by Piotr Niec and Benjamin Jensen Published July 10, 2024

In the future, NATO will continue to undertake preparations for collective defense against Russian aggression from the east. The deterrent force will be constituted of forward-deployed troops acting as a tripwire. Concurrently, the countries situated on the eastern flank will assume a more prominent role in safeguarding their national sovereignty. These countries already belong to a select group of allies that invest more than 3 percent of national GDP into defense. The investment will be directed toward increased quantity as well as enhanced quality in order to deny the enemy in the event that deterrence fails. In addition, the eastern flank allies will concentrate on air and missile defense in order to minimize damage to their territories and populations. Some member states will endeavor to enhance their long-range strike capabilities, contributing to the implementation of conventional punishment. As a result, the allies with the greatest potential will evolve from being security consumers to becoming security providers for their neighbors.

It is unlikely that the conflict between Russia and the West will abate in the near future. This is driven by the deep conviction among certain Russian elites that Western democratic systems pose an existential threat to Russia. This perception, when coupled with the persistence of imperialistic ideologies within the Russian political landscape, gives rise to a sustained drive for the expansion of the country's geopolitical influence. The war in Ukraine is part of a larger negotiating process in which Russia is attempting to regain control over former Soviet states in Eastern Europe that have joined NATO since the end of the Cold War. This suggests that a future military invasion of one or more NATO countries is a distinct possibility. Given Russia's perception of its inferiority to NATO conventional forces, it is likely that it will seek to isolate any targeted country at the outset of any potential

aggression. This strategy may be designed to prompt a response from allies, potentially seeking to inspire a reconsideration of commitments due to the failure of deterrence.

In the wake of the atrocities perpetrated by Russia in Ukraine, NATO underwent a transformation in its conceptualization of deterrence and defense. The strategy of defending territory by trading space for time while awaiting reinforcement from NATO is no longer a viable option. This was replaced by forward deterrence and defense, which requires an enhanced approach to the force posture of eastern flank countries, shifting toward the denial of any opportunities for aggression.

In order to deter aggression, NATO must demonstrate its cohesion and prove to the potential aggressor that all member states of the alliance enjoy the same security privileges and that all parties can contribute to the burden sharing across all domains and spectrums of conflict. It is imperative that a permanent stationing of substantial NATO forces across the eastern flank be implemented in order to reinforce the credibility of the alliance's assertions regarding the defense of its territory. The deployment of forces available to the Supreme Allied Commander Europe (SACEUR) serves to convey a sense of commitment and introduces an element of uncertainty into the calculations of a potential aggressor regarding the tentative response of NATO in the event of a violation of any member state's sovereignty. Concurrently, such an arrangement may serve as a stabilizing factor during the initial competition for resources between countries in the region in the event of an invasion.

As evidenced by the conflict in Ukraine, the decision to invade may be based on flawed assessments. The attractiveness of the concept of potential isolation may be reinforced by the assumption that the transatlantic bond may be under stress in the event of a sudden deterioration of the security situation in the Indo-Pacific region. Consequently, the quantity and quality of regional armed forces will serve as firm indication of a genuine commitment to the defense of the eastern flank, even in the event of an initial assumption of isolation.

It is imperative that eastern flank countries maintain elevated defense-spending levels to ensure the acquisition and subsequent sustainability of capabilities that will prove critical during the initial stages of an invasion. The most crucial aspect will be the development of military mass. Using the war in Ukraine as evidence, it is reasonable to argue that an armored brigade should be opposed by another armored brigade. The concept of the importance of mass is once again receiving attention. Consequently, countries on the eastern flank are expanding their active military forces, particularly in the land domain. Likewise, there is an effort to expand reserve forces. Optimal solutions will depend on a range of national determinants, such as the size of the population or the existing culture of homeland defense. Regardless of which approach is ultimately adopted, regional countries will continue to work on the enlargement of their ready reserves. It is evident that some regional actors, due to their larger population sizes, possess greater potential than others to generate the requisite capacity in absolute terms.

Another line of effort will concentrate on the safeguarding of the population, including military forces, and the protection of critical infrastructure against air and missile threats. Such an effort already exists along the eastern flank, although it is quite diverse in its composition. It is notable that some countries have already made significant progress in developing their own air defense capabilities, with Poland serving as a case in point. Other states have indicated a preference for participating in regional initiatives, such as the European Sky Shield Initiative. It seems probable that the trend will evolve into the formation of a regional air and missile defense initiative, which would integrate the majority of the capabilities under a single umbrella. The success of this approach will depend on the inclusion of industrial partners that are currently providing air defense capabilities in national contexts.

Those eastern flank allies with the greatest potential will continue to develop long-range strike capabilities as a means of conventional punishment. Such competences will significantly contribute to the credibility of deterrence. The initial reaction of eastern flank states to the full-scale invasion in 2022 demonstrates their determination to oppose Russian aggression, despite initial concerns from some Western countries. This implies that in the event of a failure of deterrence, eastern flank countries with long-range capabilities, in conjunction with military mass and air defense, would provide the necessary motivation for the remainder of the allies to fulfill their commitments.

The Future of NATO's Southern Flank

<https://www.csis.org/analysis/future-natos-southern-flank>

Commentary by Yasir Atalan Published July 10, 2024

The war in Ukraine has reinvigorated NATO. Two Nordic countries, Finland and Sweden, joined the alliance due to fears of potential Russian aggression, already imparting an air of success on NATO's 2024 summit. However, many important debates about NATO's future are on the agenda, including the alliance's southern strategy, which the summit is tasked with formulating. The effectiveness of this strategy will depend on the alliance's ability to perceive the eastern and southern flanks as interconnected geopolitical spaces.

Historically, NATO's activity in the south has always lacked a coherent strategy and has been subordinate to the east. Member states have often found themselves supporting different strategies and actors in the south, and Russia's aggression against Ukraine has further diverted attention to the eastern flank. Yet, this does not make the southern strategy any less important. Despite its geographical limits, the war in Ukraine directly influences the Mediterranean, the Middle East, and Africa. The past decade has shown that NATO's eastern and southern regions share intertwined security dynamics, driven by Russia's geopolitical maneuvers and China's systemic competition.

Russia has long aimed to limit NATO's access to the Mediterranean and to increase its presence in the region by building up its naval forces. These long-held ambitions are strongly tied to gaining a strategic position in the Black Sea. Putin built a Mediterranean squadron largely drawn from the Black Sea Fleet, which was strengthened by Russia securing critical ports in Abkhazia and Crimea. For Russia, the ability to move maritime assets freely between the Black and Mediterranean Seas has been key in undermining the positions of NATO members in both regions. By the same token, the war in Ukraine led to the shrinkage of Russia's naval presence in the Mediterranean after Turkey closed the Bosphorus and Dardanelles straits to warships in 2022. The future of Russia's military footprint in the south will depend on Russia's interoperability between the two regions.

Despite NATO being a regional alliance and China not being considered as an enemy, the systemic challenges posed by China require NATO to develop a strategy that integrates both the eastern and southern flanks. The possibility of an Indo-Pacific conflict is already reshaping the character of Euro-Atlantic security, with significant implications for U.S. defense and alliance commitments. Such a conflict would strain U.S. resources, leaving the European pillar of the alliance to assume greater responsibility for geopolitical threats. **In a similar vein, war in Ukraine has increased alignment between China and Russia, leading to a systemic shift in the threat landscape.**

Moreover, China's economic integration through strategic investments in countries on NATO's southern flank is part of a larger policy that increases dependency on China in key sectors such as **critical infrastructure, minerals, supply chains, and areas such as telecommunications and clean tech**. This dependency will need to be addressed by the alliance moving forward, especially as Europe scales up defense production reliant on these investments. Furthermore, the **instability and hybrid threats emanating from both state and non-state actors are directly associated with Russia's and China's expanded influence along NATO's southern border**. Through private military companies, Russia holds an informal military presence in Libya and the Sahel. **Traditionally, the eastern flank is considered to face more conventional threats, while the southern flank is associated with diffuse and nonconventional threats. However, China's economic might and Russia's military influence are intertwining these threat areas.**

To address this, NATO's future strategy must integrate its eastern and southern approaches through a cohesive framework. Considering the southern and eastern flanks as a single, intertwined geostrategic space necessitates a holistic strategy—one that avoids previously divided policy domains and favors intra-alliance coherence. There are several considerations for NATO in this regard.

- First, geopolitical stability on the southern flank is directly linked to making the current thaw between two members, Greece and Turkey, permanent. This is why Greco-Turkish relations should be situated in a systemic framework that addresses their sovereignty issues. By leveraging recent energy cooperation between the neighbors, the alliance can develop a framework that keeps the power balance intact and limits any risk of escalation due to domestic political

pressures. NATO should push for an inclusive solution in the Eastern Mediterranean to free up resources that member states currently dedicate to conflicts with each other, allowing these resources to be used for stronger collective positioning against adversaries.

- Second, NATO's ability to project stability to the south depends on increasing interoperability across both flanks. Operation Sea Guardian is already key to enhancing maritime situational awareness, but further maritime security capacity building among partners will be crucial to limit Russia's operational capabilities. In line with this, the alliance should start honest discussions on crisis management in Libya, given its strategic importance to countering Russia's influence and improving regional stability.
- Third, the growing influence of China and Russia in the Middle East and Africa, along with systemic risks, impresses upon NATO the need to develop a long-term perspective for these regions. While terrorism and immigration will likely be important elements of the strategy, it should not be confined to them. Overemphasis on security-related approaches has proven futile to NATO's interests. Countries in Africa and the Middle East are seeking mutually beneficial solutions that promote economic growth and capacity building. Therefore, NATO should prioritize building deeper political and economic relations with African and Middle Eastern states. Such an approach will address heightened perceptions of Western double standards regarding international humanitarian law, particularly highlighted by the ongoing conflict in Gaza, on which Russia and China are capitalizing. This strategy will also help build resilience against China's strategic investments by reducing dependency and fostering local development.

This holistic approach will have implications on the European defense industrial base. As pressures grow to strengthen the European pillar of the alliance, non-EU members and NATO partners in the Middle East can be part of Euro-Atlantic security discussions. Such an approach can also ease relations between Turkey and the European Union, thereby strengthening EU-NATO engagement.

An active southern strategy will make NATO stronger by reinvigorating the alliance and including southern partners in Euro-Atlantic security discussions. This will put European security in a broader perspective, addressing not only Russia's eastern aggression but also providing stability in the south.

China Exploits the "War on Gaza" in its Power Struggle with Washington

<https://www.wilsoncenter.org/article/china-exploits-war-gaza-its-power-struggle-washington>

Amar Jallo By Amar Jallo on **January 31, 2024**

China is actively staking a position in the Gaza war to bolster its relations with Arab and Islamic States. Beijing may seek to exploit Washington's distractions in the Middle East, but an expanding conflict may also harm its strategic interests.

China refrained from condemning Hamas' October 7 attacks, yet it labeled the Israeli response as "collective punishment against civilians", attempting to maintain a delicate balance, and "position itself as a mediator while exercising its influence in the region," according to Dr Maria Papageorgiou, Lecturer in Politics and International Relations at the University of Exeter and researcher Mohammad Eslami at Minho University.

In a joint email, the researchers said "China's engagement in the Middle East is set to intensify during this conflict", adding that "Beijing will play an enhanced role in efforts to end the war... and capitalize on the Arab states' frustration with Washington, establishing itself as a major player in the region.

According to Zhou, China stands "with all Arab causes in general, and the Palestinian cause in particular," because it supports "the struggles of oppressed peoples." China refused to recognize Israel in exchange for its own recognition in 1955, before officially recognizing the PLO in 1965, marking a "unique milestone in international relations" and a "revolutionary development in international law," according to then head of the organization, Ahmed Al-Shukeiri. Still, Israel is China's second-largest arms supplier after Russia.

Chinese experts believe that Washington's heightened interest in strategic arenas outside of East Asia grants Beijing time and room to assert its dominance in the Indo-Pacific region.

China is now in a better position than the US to mediate in conflict resolution, whether between Saudi Arabia and Iran, Russia and Ukraine, or Israel and the Palestinians, says Professor Wang Yiwei at Renmin University

Chinese participation in this realm could widen the divergences between China and Russia and will certainly create a significant gap between them and Iran due to Iran's opposition to the two-state solution.

THEN SIX MONTHS LATER

Hamas and Fatah sign unity deal in Beijing aimed at Gaza governance.

The factions have agreed an 'interim national reconciliation government', says Chinese Foreign Ministry.

<https://www.aljazeera.com/news/2024/7/23/palestinian-rivals-hamas-and-fatah-sign-unity-deal-brokered-by-china>

23 Jul 2024

Palestinian factions have signed a "national unity" agreement aimed at maintaining Palestinian control over Gaza once Israel's war on the enclave concludes. **The deal, finalised on Tuesday in China after three days of intensive talks, lays the groundwork for an "interim national reconciliation government" to rule post-war Gaza, said Chinese Foreign Minister Wang Yi. The agreement was signed by long-term rivals Hamas and Fatah, as well as 12 other Palestinian groups.**

Blocking Israeli control of Gaza Mustafa Barghouti, secretary-general of the Palestinian National Initiative, one of the 14 factions to sign the accord, told Al Jazeera the agreement goes "much further" than any other reached in recent years. He said its four main elements are the establishment of an interim national unity government, the formation of unified Palestinian leadership ahead of future elections, the free election of a new Palestinian National Council, and a general declaration of unity in the face of ongoing Israeli attacks. The move towards a unity government is especially important, he said, because it "blocks Israeli efforts to create some sort of collaborative structure against Palestinian interests".

Reconciliation between Hamas and Fatah would be a key turning point in internal Palestinian relations. The two main Palestinian political parties in the Palestinian territory have been bitter rivals since conflict arose in 2006, after which Hamas seized control of Gaza.

'No other way' "We're at a historic junction," Abu Marzouk said, according to CNN. "Our people are rising up in their efforts to struggle." Hamas, which led the October 7 attack on Israel, advocates for armed resistance against Israel's occupation. Fatah controls the Palestinian Authority, which has partial administrative control of the occupied West Bank. It favours peaceful negotiations in pursuit of a Palestinian state. Several past reconciliation bids between the two factions have failed. However, calls have grown for them to come together as the war has dragged on and Israel and its allies, including the United States, have discussed who could govern the enclave after the fighting ends. Barghouti said the war in Gaza was the "main factor" motivating the Palestinian sides to set aside their differences. "There is no other way now but for Palestinians to be unified and struggle together against this terrible injustice," he said. "The most important thing now is to not only sign the agreement, but to implement it."

'Watching from afar' Israel vehemently opposes any Hamas role in governing Gaza, and has suggested in the face of opposition even from Washington that it intends to maintain control of the enclave. Israel was, therefore, quick to slam the announced deal. Targeting Fatah chief and Palestinian Authority President Mahmoud Abbas for cooperating with Hamas, Minister of Foreign Affairs Israel Katz reasserted his government's stance that no one but Israel will control Gaza following the end of hostilities.

"Hamas and Fatah signed an agreement in China for joint control of Gaza after the war. Instead of rejecting terrorism, Mahmoud Abbas embraces the murderers and rapists of Hamas, revealing his true face. In reality, this won't happen because Hamas's rule will be crushed, and Abbas..." — ישראל כ"ץ Israel Katz (@Israel_katz) July 23, 2024

"Instead of rejecting terrorism, Mahmoud Abbas embraces the murderers and rapists of Hamas, revealing his true face," Katz claimed on X. "In reality, this won't happen because Hamas's rule will be crushed, and Abbas will be watching Gaza from afar. Israel's security will remain solely in Israel's hands."

'Internal matter' China, which has sought to play a mediating role in the conflict, previously hosted Fatah and Hamas in April. During those talks, the pair "expressed their political will to achieve reconciliation through dialogue and consultation" and made progress on "many specific issues", Chinese Ministry of Foreign Affairs spokesman Lin Jian said at the time. The latest round of talks featured Hamas's political leader Ismail Haniyeh and Fatah's deputy head Mahmoud al-Aloul. **Following the signing of what has been referred to as the "Beijing Declaration", China's Wang** said: "Reconciliation is an internal matter for the Palestinian factions, but at the same time, it cannot be achieved without the support of the international community." China has historically been sympathetic to the Palestinian cause and supportive of a two-state solution to the Israel-Palestine conflict. Chinese President Xi Jinping has called for an "international peace conference" to end the war.