

spending was disclosed of 77.3 billion rubles (Cdn. \$155 billion) that is comparable to, although still less than, most Western estimates.<sup>1</sup> A recent joint report to the U.S. Congress by the Central Intelligence Agency and the Defense Intelligence Agency indicated that Gorbachev would have strong incentives to keep defence spending down at least through the period of the 13th Five-Year Plan (1991-95). The stated intent of the Soviet leadership is to transfer the freed-up resources to civilian uses, particularly to overcome severe shortages in consumer goods. The report noted, however, that only about a third to one-half of the 14.2% reduction could be accounted for by savings associated with the announced unilateral cuts in conventional forces, the withdrawal from Afghanistan and the scrapping of intermediate-range missiles under the Intermediate-range Nuclear Forces Treaty. It concluded that there were powerful pressures and constraints impelling the Soviet leadership to reach more money-saving arms control agreements with the West.<sup>2</sup> This appeared to be confirmed by Soviet Premier Nikolai Ryzhkov who on 7 June 1989 declared that his government intended to continue steadily cutting the military budget until at least 1995, reducing its share of the national income by one-third to one-half.<sup>3</sup>

The credibility of flexible response has also diminished in the aftermath of the Intermediate-range Nuclear Forces Treaty of December 1987, which will eliminate an entire class of land-based nuclear weapons — the intermediate range, from 500 to 5,000 kilometres. Flexible response was formally enunciated in the 1967 NATO policy statement MC 14/3 as a result of the deliberations of the Harmel Committee.(13:14) It has two aspects. The first is that NATO must be able to respond to an attack at any level of conflict with proportional force. In other words, conventional forces must be available to respond to a conventional attack, or limited nuclear forces to respond to a limited nuclear attack. The second aspect is that NATO must be prepared and able to escalate the conflict at will and maintain “escalation dominance” — escalate faster and further than the opponent is willing to risk — even if that involves being the first to use nuclear weapons.

Flexible response was intended to raise the nuclear threshold by having adequate conventional forces to sustain conflict at the conventional level if necessary. Lieutenant-General John Vance, then Vice Chief of the Defence Staff, told the Committee, “It also introduced an important element of uncertainty into the mind of any potential aggressor.”(2:6) But the strategy meant different things to different people. The Europeans interpreted it as meaning NATO would go nuclear early in a conventional conflict, which would deter the Soviets from starting the conflict in the first place. The Americans, on the other hand, saw it as meaning NATO would not have to go nuclear early, but would have time to think about it. As Fen Hampson observed, “flexible response was a document cloaked in ambiguity, but an ambiguity that everyone could live with quite happily.”(13:14)

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<sup>1</sup> Bill Keller, “Gorbachev Urges a Postponement of Local Voting,” *The New York Times*, 31 May 1989, p. A1.

<sup>2</sup> *The Soviet Economy in 1988: Gorbachev Changes Course*, a paper presented by the Central Intelligence Agency and the Defense Intelligence Agency to the National Security Economics Subcommittee of the Joint Economic Committee, Congress of the United States, April 1989, pp. 9-13.

<sup>3</sup> Bill Keller, “Soviet Premier Says Cutbacks Could Reach 33% for Military,” *The New York Times*, 8 June 1989, p. A1.