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Dear Mr. Petrignani,

As I indicated in Council this morning, my authorities, having now considered the paper PO-80/133 (Final), have asked me to inform the Council of some considerations which we should like to have taken into account in further discussions on contingency planning for Poland. In general the Canadian Government is prepared to do what it can to support NATO counter-measures in the "worst case" of Soviet intervention. At the same time we have certain concerns particularly with respect to the possible application of a grains embargo, of which our Allies should be aware.

Even if all major grains producers are willing to participate, an effective embargo would be exceedingly difficult to fashion. Part of the reason stems from the fact that Soviet agriculture is not in as vulnerable a position as is generally assumed, and should be able either to draw on existing stocks or to obtain short-term supplies from allies and friends to meet vital requirements until the winter crop (whose prospects are favourable) is in. But more important, Soviet experience in circumventing the post-Afghanistan grains embargo and the nature of the international grains trade make it very unlikely that an embargo can be made to work unless an extraordinary effort is made by all participating countries.

After Afghanistan, the USSR was able to secure approximately 14 million of the 17 million tons which the American-led embargo had sought to deny it. This was not because participants in the embargo did not respect the obligations they had assumed, but because the embargo was not comprehensive. The Soviets were able to meet the shortfall by

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Mr. R. Petrignani
Deputy Secretary General

a combination of:

- a) a reduction in Soviet grain exports to Eastern Europe, North Korea and Vietnam;
- b) the location of alternative grains suppliers in Argentina and elsewhere;
- c) the substitution of grain imports by alternative products such as soybeans, flour, meat and dairy products which had not been embargoed.

The international grains trade is such that participants in an effective embargo would not just have to withhold exports of grain from the USSR; they would also have to agree on a regime to control exports of all foodstuffs not just to the USSR but to its allies as well, and somehow ensure that non-participants did not take advantage of a situation in which the USSR would be willing to pay premium prices for any grain available (which would tempt non-participants to sell to the USSR at high prices and buy from participants at low prices). Hence, an effective embargo would require a major enforcement effort on the part of participants, which in turn could only be achieved by unprecedented interference by the United States Government in hitherto essentially private marketing of United States grains, strenuous efforts to control the end-use by all participants and a massive restructuring of the international grains trade. The Allies should be aware that this would be a formidable task indeed.

The above considerations would have to be carefully weighed in determining the feasibility of an effective grain embargo against the USSR.

I am circulating copies of this letter to my colleagues.

Yours sincerely,


J.G.H. Halstead
Ambassador and Permanent
Representative