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THE SITUATION IN EASTERN EUROPE
AND THE SOVIET-OCCUPIED ZONE OF GERMANY

Report by the Committee of Political Advisers⁽¹⁾

EXTERNAL RELATIONS OF THE BLOC

1. The European members of the Soviet Bloc have again demonstrated their total acceptance of the foreign policy of the Soviets. These countries, faithfully following the sinuous course of Soviet policy, have obediently adopted the change of direction decided by Khrushchev last May.

2. The Satellites have endorsed the Soviet position regarding the U2 and RB-47 incidents, the failure of the Paris and Geneva Conferences and developments in Cuba and the Congo. Following Mr. Khrushchev's lead, the Communist Bloc party heads personally attended the United Nations General Assembly, where they repeated and developed his arguments on disarmament, "colonialism", and the admission of Communist China, as well as his proposal to replace the United Nations Secretary General by a triumvirate.

3. Within the framework of general support of Soviet foreign policy, several regimes also pursued complementary objectives, sometimes corresponding to national aspirations. Poland, Czechoslovakia and the Soviet Zone of Germany collaborated in propaganda on the theme of "German militarism and revanchism". Rumania, with Bulgarian support, renewed the propaganda campaign for a Balkan regional association to include Greece and Turkey.

4. The Bloc intensified its drive to win over the emergent and uncommitted countries, each satellite playing a role consonant with its individual capabilities and ambitions, both political and economic. Exceptionally attractive targets of opportunity were afforded by developments in the Congo and in Cuba. Czechoslovakia, being highly industrialised, is able to supply modern machinery,

(1) This report was approved on 16th November, 1960.

technicians and arms, to offer substantial credits and to provide special training facilities for students from underdeveloped countries. It has supplied military equipment to Cuba. It has also participated with its own civilian and military experts in the Soviet operations in the Congo and, as a result, has shared with the Soviet Union the indignity of expulsion from the Congo and the breaking-off of diplomatic relations with Leopoldville. The Soviet Zone of Germany plays a role similar to that of Czechoslovakia in economic penetration and, like Hungary, has facilities for training trade union leaders from underdeveloped countries. The other satellite countries have a smaller but increasingly significant role in this penetration drive.

5. The satellite regimes continue for the most part to show interest in bilateral economic and cultural relations, exchanges of visits, etc. with Western countries. This attitude, which was not generally reversed after the failure of the May Summit Conference, no doubt reflects their desire to achieve or conserve international respectability, to further their own economic interests, to gather technical information from the West, as well as to advertise their point of view to Western politicians, intellectuals etc. The situation, however, offers the West opportunities for contact with the populations among which pro-Western feelings and interests are still lively.

INTRA-BLOC RELATIONS

6. The Soviet Union apparently made it clear, both at the Bucharest Party meeting in June and subsequently, that it expected the full and unequivocal support of all Eastern European bloc Parties in its ideological differences with Communist China. All the Parties responded by holding plenums, and all supported Moscow except the Albanians, who instead avoided formal endorsement of the Soviet position and even appeared latterly to move closer to Communist China. Most of the Eastern European leaders, in any event, saw eye to eye with Moscow.

7. The Comecon (Council for Mutual Economic Assistance) continues its activities aimed at economic integration of the Bloc, and it has no doubt in various ways been involved in the preparatory work for the bilateral five-year trade-agreements. At its Thirteenth Plenary Session, held in July, there was discussion on the co-ordination of long-range planning up to 1980; the establishment of a Bloc equivalent of EURATOM; further division of labour in industry and agriculture; and, finally, measures aimed at making Eastern Europe more self-sufficient in grain. A public Polish complaint about the absence of co-ordinated investment planning has apparently resulted in further Czech participation in the development of certain Polish extractive industries. In general Comecon's influence to date appears to have been modest but growing; but our information is not sufficient

to judge whether the organization will succeed in gradually achieving greater efficiency in the economic co-ordination of the Bloc and the economic penetration of overseas countries.

INTERNAL SITUATION

8. There has been no significant change in the leadership of the Eastern European regimes. The trend toward popular acquiescence and resignation has continued to operate in favour of most of the Bloc regimes, but the underlying hostility of large parts of the population is a potential threat to them. The fact that several governments have decided to grant amnesties testifies to the growing confidence of the leaders in the strength of their authority. However, the threat of police repression remains. In Poland, the spirit of freedom is still so full of life and vigour that the rulers feel obliged to take it into account when exerting pressure on the people. In Hungary, the spirit of resistance is becoming progressively less evident.

9. There was further progress towards "socialism" in most Bloc countries. Czechoslovakia in July formally assumed in its new Constitution the title of the "Czechoslovak Socialist Republic", thus strengthening its pretention to be the "second country of socialism" in Europe. Other examples of progress towards "socialism" in Bloc countries were the unremitting pressure against the churches and against the remnants of private ownership, as well as such positive measures as polytechnical education, "socialist brigades" in industry, and "comradely" courts. In general, changes have brought the structure and practice of the regimes into closer conformity with the Soviet model.

10. Economic developments in Eastern Europe continued along established lines. The renewed industrial speed-up which started in 1959 is continuing, but there have been difficulties in individual sectors. Results in other areas, particularly in housing and in the production and distribution of consumer goods, were less impressive. Agriculture remained the despair of Bloc planners. Indications are that this year's harvest will prove less than that of last year.

11. With regard to collectivization of agriculture, the most spectacular developments took place in the Soviet-Occupied Zone of Germany. Although the completion of the collectivisation, announced in mid-April, was more evident on paper than in the fields, it caused considerable unrest among the peasantry. However, through special measures this year, the authorities were able to bring in the harvest. In Hungary and Bulgaria the regimes have found it expedient to modify certain of their collectivization measures. In Poland, collectivization of agriculture has remained at a very much lower level than in the two other Satellites, and there is no indication that the Government intends to force the pace on this issue at present.

NOTES ON DEVELOPMENTS IN INDIVIDUAL COUNTRIES

12. The Soviet-Occupied Zone of Germany. Khrushchev's "postponement" of a Berlin showdown following the summit collapse temporarily frustrated Pankow's hopes of a separate peace treaty and of a change in Berlin's status. Subsequently, however, Ulbricht was apparently given limited scope to attempt to undermine the Four-Power status of the city and its relations with the German Federal Republic by administrative measures. These measures are designed to improve the Soviet negotiating position, and they are also intended to test the willingness of the West to defend its position in Berlin.

13. East German efforts to achieve formal recognition - still withheld by all non-Communist countries - were intensified, with the "Free German Trade Union Federation" playing a leading role. While Pankow failed to establish diplomatic relations with Guinea last spring, it succeeded in establishing Consulates General in Rangoon and Djakarta, although both the Burmese and Indonesian Governments specified that formal recognition was not involved.

14. With the creation in September of a Council of State - replacing the Presidency vacated by the death of Wilhem Pieck - the East German governmental structure was altered to conform more closely to that of the Soviet Union. This change, and accelerated efforts to complete the "socialist" transformation of the country, are designed to consolidate the regime's position in advance of future negotiations on the German question.

15. Despite the regime's participation in bloc propaganda on the disarmament theme, the aggressive rather than defensive role of the People's Army was increasingly stressed in training and in military literature

16. The refugee figures, which had shown a tendency to drop in recent years, are rising again. In the first nine months of 1960 the total exceeded the figure for the whole of 1959. The number of refugee farmers in the period April to September doubled as compared with that of the corresponding period of 1959.

17. Albania. The economic situation is as bad as ever and there is profound dissatisfaction among the people. In August, there were reports of a plot and of arrests of some senior naval and army officers, and of minor party officials.

18. In September, Mrs. Belishova, Secretary of the Party's Central Committee and Koço Tashko, also an influential member, were removed from office. This was followed by reports, as yet unconfirmed, of the removal of two other important party figures.

19. Albanian predilection for the views of the Chinese Communists was suggested by the fact that Party First Secretary Hoxha was absent from both the Bucharest Party Conference and the UN General Assembly meeting, and by the fact that Albania, at its Central Committee plenum in August, failed to support Moscow's position in the emergent Sino-Soviet ideological differences. Subsequent developments pointed even more clearly to Albanian support for the Chinese Communists. These developments included assertions that the Chinese Communists are maintaining "a correct ideological position" and are defending "the purity of the Marxism-Leninism" in a "creative manner" Moreover, an Albanian delegation, but no other bloc delegation, was present at the anniversary festivities in Peking of the People's Republic of China. Soviet displeasure was suggested by the cavalier treatment which Prime Minister Shebu received from Khrushchev at the UN General Assembly Meeting. Reliable reports that the People's Republic of China is purchasing substantial quantities of wheat overseas for shipment to Albania indicates the possibility that Moscow may even be applying some economic pressure on Albania. Some clarification of Albania's position, as well as of the nature and extent of the September Party purge, may be forthcoming at the postponed Albanian Party Congress, now scheduled for December.

20. Poland There was no major change in the leadership or in its policy. A few Stalinists were re-appointed to government positions, and in economic affairs austerity continued to be the watchword. There was also increased pressure for conformity in the academic and cultural spheres. There was, however, no pressure on the peasantry for increased collectivisation.

21. Friction continued between Church and State and strong popular feelings on the question led in a few instances to rioting. In September the hierarchy drafted a strongly-worded pastoral letter rebutting State accusations and protesting against persecution and slander. However, at the government's request, they withheld this from publication so as to avoid advertising national disunity at the time of the UN Assembly. Cardinal Wyszynski made it clear that he supported the government's point of view (and that of all Poles) as regards the Oder-Meisse question. The Polish regime expressed itself with increasing sharpness on this issue, and on alleged "German militarism and revanchism".

22. Except with the Federal Republic, Poland continued efforts to improve relations with Western countries. It concluded an agreement settling claims for United States property nationalised in Poland, and an agreement for the purchase of United States surplus agricultural commodities valued at \$130 million.

23. Czechoslovakia. A new constitution entered into force on 11th July, 1960, which consolidated the developments since 1948, and changed the name of the state to the "Czechoslovak Socialist Republic". A tendency towards greater centralisation manifested itself in the abolition of the Slovak Board of Commissioners, which previously had the status of a provincial government. An administrative streamlining rearranged a number of administrative sub-divisions to form larger units, in the interest of efficiency. The same tendency to solve local problems according to the Soviet pattern was exhibited in agriculture, where collective farms are being merged.

24. Hungary. Although it has not succeeded in winning the support of the Hungarian people, the Kadar regime has shown some dexterity in blending moderation with firmness. This circumspection, when applied to agriculture, has caused criticism to be levelled at Kadar from the left wing of the party. However the stability of tenure of the political leadership, the decision to grant an amnesty and the important place assigned recently to the "Patriotic Popular Front" in the regime's propaganda and in agricultural circles, are indicative of the Kadar Group's firm hold on the Party and the Government.

25. Bulgaria. Bulgaria, which is already well advanced on the road towards "socialism", hopes to complete the current five year plan by the end of 1960, two years ahead of schedule. This would enable it to synchronize its next five year plan with the plans of the other bloc countries. Bulgaria, whose bilateral cultural and economic relations with the West were formerly more limited than those of most bloc regimes, is now somewhat more forthcoming in this respect.

26. Rumania. There have been no significant developments in the domestic and international situation of Rumania. The leadership remains strong and united. The Third Party Congress was notable chiefly as providing the occasion for a meeting of Soviet bloc party leaders. However, it approved a six year plan (1960-1965) and also laid down a timetable, the first of its kind in the bloc, for achieving "socialism" by 1975.

THE POSITION OF YUGOSLAVIA

27. Towards the Soviet Bloc Yugoslavia maintained its position as an independent Communist state. On international questions Belgrade mainly supported Soviet policy, but sided with the neutralists over important issues on which they were opposed to the Soviet Bloc. Yugoslavia supported the Soviet position on, for example, disarmament, the banning of nuclear tests, anti-colonialism and the recognition of Communist China and the "DDR". It did not, however, support Moscow's position on the U-2 incident, the failure of the Summit and the reorganization of the UN Secretariat. Tito has supported the Soviet position on the German problem but has shown concern over the danger that Soviet action, particularly the signature of a separate peace treaty with Pankow, might lead to conflict.

28. Relations with Albania and Communist China were bitter and polemical. Bilateral relations with other Bloc countries remained correct but involved virtually no Party contacts. Trade relations with the Bloc have in general improved slightly.

29. Relations with Western countries are affected by the Communist outlook of the Yugoslav Government, by its belief that Khrushchev needs support against the Chinese Communists if he is to carry through his policy of "peaceful coexistence", and by its desire to act as a leader of the neutralist nations. This latter aspiration has influenced Yugoslavia's position on the Congo, Netherlands New Guinea, Algeria and Cuba. On some of these questions, Yugoslavia has adopted a position just as violent as, and sometimes even more violent than, the USSR's.

30. In one important respect Yugoslavia is moving closer to the West by offering, on condition that it receives financial help, to reform its system of international exchange rates in line with suggestions from the International Monetary Fund, and by continued efforts to seek close co-operation with GATT and OEEC. Although Yugoslavia has confirmed that the Balkan Pact is virtually non-existent, its bilateral relations with Greece remain good and those with the new Turkish government have steadily improved.

(Signed) R.W.J. HOOPER
Chairman

OTAN/NATO,
Paris, XVIe.

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