

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

163

EXEMPLAIRE
COPY

ENGLISH ONLY
2nd April, 1963

NATO SECRET
WORKING PAPER
AC/119-WP(63)16

COMMITTEE OF POLITICAL ADVISERS

RELATIONS BETWEEN THE UNITED KINGDOM AND THE EAST EUROPEAN
SATELLITES (EXCLUDING EAST GERMANY AND ALBANIA)

Note by the United Kingdom Delegation

This paper and its Annexes are intended to give an idea of the present extent of Anglo-Satellite relations.

GENERAL

Anglo-Satellite relations, 1962

2. 1962 was a reasonably satisfactory year for Anglo-Satellite relations. Exchanges with Poland remained lively. There were increased contacts with Czechoslovakia and Roumania, including visits by Ministers from both countries. Relations with Hungary were complicated by the aftermath of the 1961 debate on the Hungarian item at the United Nations General Assembly and by the arrest in Budapest on charges of espionage of a British businessman. But the Hungarians continued to show an interest in expanding their contacts with us. Although there was some increase in exchanges with Bulgaria, Anglo-Bulgarian relations remained cool. (A calendar of the main Anglo-Satellite contacts of 1962 is at Annex A. Figures for United Kingdom visas granted in the Satellites during 1959-1962 is at Annex C.)

Trade

3. The firmest base for an expansion of Anglo-Satellite contacts, because it rests on mutual interest, is probably trade. (Figures for Anglo-Satellite trade in the period 1960-1962 are given in Annex B.) In their desire to import industrial and technical goods from the West, even the most rigid communist officials may be prepared to overlook the concomitant growth in personal contacts and the infiltration of news and views from

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the West which are important aims of our Satellite policy. The Roumanian's currently increased interest in trade with the West, with its overtones of nationalism, and reaction against the rôle cast for Roumania in CMEA illustrates this point.

4. Our capacity for expanding Anglo-Satellite trade is, however, limited by several factors. Apart from the obvious strategic considerations, we find it difficult to absorb enough of the Satellites' products to enable them to earn the currency they need to finance bigger purchases in the United Kingdom. This is because a large proportion of the Satellites' exports to us consists of agricultural commodities (75% of Polish exports; over half of Roumanian, Hungarian and Bulgarian exports; 20% of Czech exports). Many of these commodities compete with home, Commonwealth, West European or other traditional suppliers. Our inability to increase existing quotas for such products led to difficulties in our 1962 trade negotiations with the Roumanians and Bulgarians; it has also led to difficulties over proposals for increased quotas for Polish bacon and butter. The Satellites are well aware that they must diversify their exports to us if they wish to expand trade significantly. But effective diversification is likely to take many years; and no dramatic expansion of trade is likely in the meantime.

Cultural Relations

5. We have had regular cultural exchange programmes for the past two years with Czechoslovakia, Hungary, Roumania and Bulgaria. These programmes are being considerably expanded in the current year and the financial allocation for them has been increased by around 70%. Work outside the programmes will in future be carried out by the East Europe Committee of the British Council. Poland, where conditions for cultural work are more like those in the free world, is a case apart.

6. The agreed programmes are drawn up on a basis of reciprocity, and fall into three main divisions: exchanges of persons; exchanges of exhibitions, orchestras, ballet companies, etc.; and exchanges of books and other visual media. The personal exchanges - which are probably the most valuable part of these exchanges - include short visits in both directions by specialists; exchanges designed to encourage the teaching of English in the Satellites and the development of Slavonic language studies in this country; long-term exchanges of post-graduate and research works; and short-term exchanges of student and youth groups. Most of these visits are the responsibility of the British Council.

7. The British Council have had a Representative in Warsaw ever since the war (its offices in the other Satellites were closed down by the régimes under various pretexts in the Stalinist period). There are Council sponsored English lecturers at several Polish universities. The Council have a library of books

and films which is used by institutions such as the universities, and by Polish television as well. Expenditure on cultural and allied work in Poland is being increased by about 40% this year.

8. The East Europe Committee, which is to be inaugurated in March 1962, will have a similar purpose to the Soviet Relation's Committee of the British Council. This Committee was set up in 1955, and was reorganized in 1959 as the GB/USSR Association. It provides a representative and reputable body to further contacts with the Soviet Union outside the official exchange programme, and it has become a serious rival to the front organizations which originally had the field to themselves. The East Europe Committee will operate on a small scale to start with. It will concentrate on stimulating and co-ordinating contacts fostered by non-governmental bodies. It will receive a small subsidy.

9. It is proposed to appoint Cultural Attachés in Prague and Budapest during 1963/4, to deal with the increased cultural work there. These will be British Council officers, and we regard their appointment as the first step towards restoration of normal Council activities in Czechoslovakia and Hungary.

Information Work

10. Opportunities for normal information work in the Satellites are naturally limited. Hungary is the only post where we maintain an Information Officer who is described as such. He produces a regular news bulletin, runs a Reading Room and film library, and holds regular film shows. In the other Satellites, information work is carried on by the Chanceries in so far as local conditions make it possible.

11. Some useful information work, though on a limited scale can be done at the various trade fairs held in the Satellite countries. Additional funds are being allocated in 1963 for this purpose.

12. Small groups of visitors are invited to the United Kingdom under the Foreign Office visits scheme. They include people such as journalists, and central and local government officials. Visits from Poland, Hungary, Czechoslovakia and Roumania took place under this programme in 1962.

13. Among the visitors to the Satellites who can often make close and useful contact with régime leaders are Members of Parliament. Arrangements have, therefore, been made to send about six M.P.'s yearly on study/lecture tours behind the Iron Curtain. They will visit all the Satellites except Poland, which already receives a steady flow of such visitors under other arrangements (usually by Polish invitation). The scheme will begin this year.

14. Another project which should be fruitful is the holding of Anglo-Satellite conferences of parliamentarians, journalists and academics. The first of these, an Anglo-Polish conference, modelled on the Anglo-German conferences at Königswinter, was held near Warsaw in January 1963. A return Anglo-Polish conference is to be held in the United Kingdom in 1963/64. Her Majesty's Government is contributing towards the expenses of both conferences. We are looking into the possibility of holding similar conferences with the other Satellites. Czechoslovakia and Hungary would be the obvious candidates. However, political and practical difficulties make it unlikely that conferences with these two countries will be held in the near future.

B.B.C.

15. The B.B.C. transmits in the local language broadcasts to all the East European Satellites. The broadcasts vary from about 1½ to 2½ hours per day to each country. They concentrate largely on news and comment on British and international developments and are designed to give listeners a true picture of world events and British official and public reactions to them. They aim to correct the distorted news which is fed to the populations of Communist-controlled countries by their own propaganda machines. In its broadcasts to Communist countries, the B.B.C. also devotes a good deal of time to "Projection of Britain", and covers religious, commercial, cultural and artistic events and ideas.

NOTES ON INDIVIDUAL COUNTRIES

Poland

16. There are comparatively few obstacles to the development of relations between Western countries and Poland. The Poles' feeling that they are a part of the Western cultural and historical ambition is very strong. They have a long-standing antipathy towards the Russians; and for this as well as religious reasons they are unenthusiastic about the Communist ideology which has been imposed on them. The Polish régime is the most liberal in Eastern Europe, and permits its people to listen to Western broadcasts, to travel to the West and have contacts with Westerners, and - to a limited extent - to have access to Western books and journals. The Poles also have ample opportunity for personal contact with visitors from the West: according to Polish figures, 90,000 Western tourists visited Poland in 1962 (15,000 from the United States; 10,000 from France; 9,000 from Britain; and 7,000 from the German Federal Republic).

17. There are also good reasons of economic self-interest why the Poles should be anxious to maintain or increase their contacts with the West. Poland's exports to the United Kingdom and the EEC countries grew from £57 million in 1957 to £93 million in 1961, i.e. over 17% of her total export trade. Much of this

trade consists of agricultural produce. Her imports from the same countries grew from £55 to £79 million over the same period, and represent 12% of her total imports. Many of these imports consist of advanced technical equipment which is needed to fulfil the economic plan. Moreover, Poland is heavily dependent on supplies of American and Canadian grain to supplement her inadequate domestic grain production.

18. British relations with Poland are far more extensive than with any of the other satellites. Apart from official and commercial exchanges, a large number of private visits take place in both directions. There has been a fairly regular exchange of Ministerial visits, over the last few years, and more are under consideration. In January 1963 an Anglo-Polish Conference of Parliamentarians, journalists, academics and others was held in Jabonna, near Warsaw, which it is intended should be the first of a series of annual conferences. Since 1956, there have been regular exchanges of naval visits.

19. Short of a serious deterioration in the international situation, or a reversion to a more Stalinist style of government in Poland, there seems no reason why Anglo-Polish exchanges should not continue at their present rate.

Bulgaria

20. In spite of the upheavals at the last Congress, there is still no real sign that the régime is relaxing its grip on the people. The Bulgars are more attached to their Russian mentors than the other satellite peoples. Bulgaria is, therefore, perhaps the most unpromising of the Satellites as a target for Western activities.

21. Anglo-Bulgarian relations are not very satisfactory. In April, 1962, the Bulgarian government agreed to pay compensation for the British subjects killed when Bulgarian fighters shot down an Israeli airliner in 1955. This removed a long-standing cause of disagreement. But the Bulgarian authorities made no real attempt to meet our requests for the removal of irksome restrictions on the British Legation in Sofia. And in July, 1962, they demanded, on very flimsy grounds, that we should remove our Military Attaché from Sofia. We agreed, under protest, and asked in return for the removal of the Bulgarian Military Attaché in London. In order to minimise the damage to relations, the two governments agreed that no publicity should be given to this incident.

22. In spite of these difficulties, a modest cultural programme was started, under which some exchanges took place throughout the year.

Czechoslovakia

23. In spite of its reactionary Communist façade, Czechoslovakia is probably still one of the most "bourgeois" Satellites in temperament and living-standards. Although our contacts with Czechoslovakia have hitherto not been as extensive as with Poland, they have increased in the last couple of years: and a further expansion should be fairly rewarding.

24. There are no major political problems outstanding between the United Kingdom and Czechoslovakia. Anglo-Czech trade is substantial, and - because much of it is in manufactured goods - presents less of a problem than British trade with the other Satellites. In the last two years there have been exchanges of delegations of journalists, parliamentarians and others, as well as one or two comparatively low-level Ministerial visits. The Czech Embassy in London has expressed interest in an informal Anglo-Czech conference on the lines of the Anglo-Polish conference held in Warsaw in January 1963. Lack of interest among British M.P's and journalists may make it difficult to organize such a conference in the near future. But the possibility will be borne in mind.

Hungary

25. The internal position in Hungary is almost as promising as that in Poland for the development of East/West contacts. Kadar's policy of national reconciliation, which began to take effect in 1961/62, has led to a considerable lightening of the internal political atmosphere. More Hungarians are being granted visas to travel to the West. The Hungarian Government are anxious to prove their international respectability by normalising their relations with foreign, including Western, countries.

26. The development of Anglo-Hungarian contacts has, however, been inhibited in the past by the controversy over the Hungarian item in the United Nations. The position adopted by Her Majesty's Government during the 1961 debate at the General Assembly was strongly resented by the Hungarian Government, and there was a marked coolness in Anglo-Hungarian relations in the first half of 1962. Relations were improving towards the end of the year when they were again set back by the arrest in Budapest of a British businessman, Mr. Wynne, for alleged espionage against the Soviet forces in Hungary. The arrest was clearly directed by the Soviet authorities, and emphasised Hungary's Satellite status in a way which was embarrassing to the Hungarian authorities.

27. The 1962 debate on the Hungarian item at the United Nations produced a formula which, it was hoped, would enable the Secretary General to liquidate this thorny matter. On

the assumption that he succeeded in doing so, there seemed no reason why there should not be a cautious increase in Anglo-Hungarian contacts leading eventually to exchanges of Ministerial visits. The prospects for cultural exchanges have already improved considerably and we are taking full advantage of this.

Roumania

28. Contacts with Roumania have hitherto been difficult, because of the repressive and introverted nature of the régime. British relations with Roumania have also been inhibited by the continued imprisonment of several former Roumanian employees of the Legation in Bucharest.

29. In 1961 and 1962, however, things began to improve. After the XXII Congress of the CPSU the régime itself showed signs of wishing to manoeuvre more independently within the limits allowed to a loyal satellite. Re-interpretation of the Stalinist past stressed the indigenous, Roumanian character of the régime. Some strictly limited contacts with the West began to be permitted. Agreement on an Anglo-Roumanian cultural programme was reached. And in recent months all the former Legation employees have been released and allowed to leave the country if they wished.

30. At about the same time, the Roumanian economy began to expand at an increased rate. Trade with the West grew (with the United Kingdom it doubled from 1960 to 1961, even discounting the effect of several large orders for complete plant, which the Roumanians bought in the latter year). By the beginning of 1963 it seemed as if Roumanis's economic interest in maintaining and expanding her trade with the West might be coming into conflict with the duties laid on her by the CMEA.

31. In these circumstances some expansion of Anglo-Roumanian contacts should not be too difficult, although in the trade sphere it will be limited by our inability to import substantially large quantities of Roumanian agricultural produce.

OTAN/NATO,
Paris, XVIe.

ANGLO-SATELLITE CONTACTS IN 1962:
CHRONOLOGICAL LIST OF EVENTS

Poland

- February . Delegation of four British journalists visits Poland.
- June Party of Polish journalists attends East-west
journalists conference in London.
Lord Mayor of London visits Poland.
President of Board of Trade visits Poland - is
present at signature of Anglo-Polish trade agreement.
- July Delegation of Agricultural Experts under
R.H.S. Crossman, M.P., visits Poland.
- August Delegation from Ruskin College, Oxford, invited to
Poland by Central Council of (Polish) Trades Unions.
- September Mr. Gaitskell visits Poland.
Mayor of Warsaw, M. Zarzycki, visits London.
J. Silverman, M.P., invited to Poland by Polish
Group of Inter-Parliamentary Union.
- November Three "Viscounts" arrive in Poland to begin service
with LOT Polish Airlines.
Mr. Gomulka sees Mr. Astor, editor of "Observer".

Hungary

- January Signature of Anglo-Hungarian trade agreement for 1962.
Exchange of letters covering cultural programme.
- March Visit to Hungary by delegation of British professors.
- April Visit by Royal Festival Ballet.
Exhibition by British Scientific Instruments
Manufacturing Association.
- June Private British firm exhibits medical equipment.
Delegation of Hungarian Chamber of Commerce visit
United Kingdom.
- October Delegation of Hungarian journalists visit
United Kingdom.
Representative of London Chamber of Commerce visits
Hungary.
- November Arrest of Wynne.

Roumania

- January Signature of Anglo-Roumanian trade agreement for 1962.

February/
March First exchanges under cultural programme.

March Exchange of letters on cultural programme
1962/3.

April British officials visit Bucharest to discuss
cultural relations.

July Delegation of Roumanian economic officials
visit United Kingdom.

October Roumanian Minister of Forestry visits
United Kingdom
British Industrial Exhibition held in
Bucharest

December Signature of Anglo-Roumanian Trade Agreement
for 1962/3.

Czechoslovakia

February Czech Philharmonic Orchestra visits United
Kingdom.

July Czech Parliamentary delegation visited
United Kingdom.
Czech Minister of Trade visits United Kingdom.
Czech Trade Fair held in London.

October/
November Delegation of Czech journalists visits
United Kingdom.

December Signature of Anglo-Czech trade agreement for
1963.

Bulgaria

March Lord Home discusses with Bulgarian Foreign
Minister in Geneva certain difficulties in
Anglo-Bulgarian relations.

April Validity of existing Anglo-Bulgarian trade
agreement extended until March 1963.
Bulgarian Government agree to pay compensation
for British victims of "El Al" incident (when
Bulgarian fighters shot down an Israeli airliner).

June Exchange of notes on cultural programme.

July Bulgarians demand withdrawal of British
Military Attaché in Sofia.

October Madame Avramova (Chairman of State Committee
for Cultural Relations with Foreign Countries)
visits United Kingdom.

ANGLO-SATELLITE TRADE FIGURES 1960-2 (£000)

	<u>1960</u>	<u>1961</u>	<u>1962</u>
<u>Poland</u>			
Imports	35,842	36,839	38,492
Exports	14,753	22,460	32,449
Re-exports	105	803	517
<u>Czechoslovakia</u>			
Imports	11,216	13,578	13,236
Exports	7,756	10,069	12,911
Re-exports	1,125	1,143	1,256
<u>Hungary</u>			
Imports	4,311	4,259	4,774
Exports	4,379	5,658	6,783
Re-exports	173	215	213
<u>Roumania</u>			
Imports	3,901	6,067	7,074
Exports	3,044	13,569	8,379
Re-exports	1,207	1,226	768
<u>Bulgaria</u>			
Imports	2,198	3,265	3,339
Exports	2,672	1,805	1,218
Re-exports	97	67	28

UNITED KINGDOM VISAS GRANTED IN 1959-1962 BY
HER MAJESTY'S POSTS IN THE SATELLITES

	1959	1960	1961	1962
Bulgaria	153	188	187	228
Czechoslovakia	1,201	1,497	1,672	1,834
Hungary	807	1,167	1,372	2,291
Poland	5,853	5,990	6,274	7,814
Roumania	243	230	261	307

(Note: These figures contain a small proportion of visas granted to foreigners who were not nationals or residents of the Satellite countries. This proportion is offset by the small number of Satellite nationals who obtained their visas outside their own country)