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COMMITTEE OF POLITICAL ADVISERS

THE SITUATION IN THE SATELLITES

Draft Working Paper by the United Kingdom Delegation

Attached is a review of the situation in the satellites country by country. The following conclusions can be drawn as regards the situation in Eastern Europe:

- (a) The Soviet Government is determined to keep the bloc together by force if necessary. The minimum form of bloc unity is the Warsaw Pact, but this does not mean that the Soviet Union's motives are solely or even primarily strategic. Apart from the strategic reasons which make Soviet withdrawal from any of the satellites unthinkable, there are fundamental political reasons. The Soviet leaders have seen that, if their authority is challenged in one satellite, there is a danger that the challenge may soon be repeated in one or other of the remaining satellites and that in less degree the infection may spread even to the Soviet Union. The Soviet leaders fear that if they make concessions at one point, they may be forced to make disadvantageous concessions elsewhere.
- (b) The Soviet Government have carried out a fairly successful blocking operation in Eastern Europe. Poland has been partially isolated. Emergency action has crushed the armed uprising in Hungary. In the other satellites, internal discipline has been firmly enforced and the pill has been gilded with some economic concessions. Steps are being taken to bind the economies of the satellites (other than Poland) more tightly to the Soviet Union.
- (c) Soviet action has, however, been a blocking action and no more. Many of the forces which led to the upheavals in Poland and Hungary must be presumed to exist, though in a weaker state, in the other satellites. These forces have been kept beneath or driven back beneath the surface. Their continued existence there faces the Soviet leaders with a long-term problem.
- (d) The problem would not be so acute but for Poland's successful assertion of independence under Gomulka's leadership. The connection between the Polish and German problems and the Soviet Union's vital strategic stake in Poland make it impossible for Poland to be completely cut off from the rest of the bloc as Yugoslavia was in 1948. Yet the challenge presented by

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Poland in 1956 was more radical than that presented by Tito in 1948. Whereas Tito's quarrel was with Stalin and was only subsequently rationalised into a challenge to the Soviet system, Gomulka's course in Poland is a challenge to the Soviet system from the very start. The future evolution of Communism in Eastern Europe is likely to depend on the extent to which the Soviet leaders can treat Poland as a member of the bloc without permitting others to copy Poland's example, and the extent to which the Poles can consolidate and extend their independent way to socialism without provoking the Soviet Union to military intervention.

- (e) It is in the DDR (the German Democratic Republic) that the ferment in Eastern Europe impinges most directly on the Soviet position in Europe as a whole. Because the DDR is overshadowed by the Federal Republic, "National Communism" could never win popular support in the DDR as it did in Poland. The Socialist Unity Party (SED) is totally dependent on Soviet support and the Soviet Union could not risk having a milder instrument than the SED to oppress the German people. Any change in the leadership would therefore be for tactical reasons to try to make the DDR regime more acceptable as a negotiating partner to the Federal German Government. But there is no sign of this at present. Even if the Soviet leaders were inclined to slacken the rein in the other satellites, they could not risk slackening it to a point at which their and the SED's grip in the DDR might be undermined.
- (f) Within the two extremes of the position in Poland and the position in the DDR the Soviet and satellite leaders have to find a balance between concessions and discipline as means of retaining control and keeping popular discontents within bounds. At present the Soviet formula seems to be to grant economic concessions which bear some resemblance to the economic concessions granted to the Poles, while tightening political and ideological discipline in such a way that the SED no longer looks like a conspicuous and somewhat isolated Stalinist survival.
- (g) The isolation of Yugoslavia has increased, but the uneasy balance in which the Soviet leaders find themselves is shown by the ambivalent attitude which is being adopted towards Yugoslavia - on the one hand professions of a desire for friendly relations, and on the other hand sharp criticisms of the Yugoslav attitude and a withholding of Soviet economic aid. The Soviet leaders cannot afford to behave as ruthlessly as Stalin towards Tito or anyone else. Also Tito fulfils a useful rôle in Soviet foreign policy. This is one of the many important contradictions in the Soviet position.
- (h) Events in the satellites, coming on top of the shock of de-Stalinisation, have had repercussions within the Soviet Union itself. These have never been a danger to the Soviet régime and the Soviet leaders are now taking steps to curb the intelligentsia and provide

some palliatives for economic discontents. The important fact remains that, thanks to their own policies, the Soviet leaders are now exposed to certain pressures from below. This and the widespread burdens imposed on the Soviet Union by over-ambitious policies at home and abroad make it likely that the recent troubles in Europe will prove to have been the beginning of a long process of readjustment. In the long run the fate of the Eastern European peoples depends on developments within the Soviet Union itself.

Western Aims

2. As a long-term aim, the Western Powers would wish to see all the satellites freed from Soviet domination and established as independent states, preferably neutral, democratic and with no foreign troops or bases. There is, however, no prospect that this aim can be realised in the foreseeable future.

3. In the short-term, the broad Western aim should be to maintain the morale of the satellite peoples and to foster a spirit of non-acceptance of Communist régimes imposed by Moscow, of Soviet dictation, and of the presence of Soviet troops (where this applies).

4. The establishment in any satellite of a "National Communist" régime is to be welcomed as a first stage towards greater independence from Moscow. But approval of "National Communism" should go no further than this, as for broader purposes of foreign policy it would be undesirable to appear to approve of Communism in any form.

Western Attitudes

5. The Use of Force. There is a possibility of fresh outbreaks in the satellites. In practice the outbreaks which would matter would be in Poland or the DDR. In either case the Soviet Union would intervene with overwhelming military force rather than surrender its positions. Any attempt by the Western Powers to intervene and prevent the Soviet Union from crushing resistance by force would be likely to lead to world war: the Soviet leaders regard the satellites as an area of vital concern to the security of the Soviet Union. While they are aware of the prospects of annihilation in a world war, they would probably feel bound to choose destruction in war rather than (as they would see it) destruction through surrender.

6. If the Western Powers must refrain from intervention themselves, they should avoid encouraging the satellite peoples to use force in the pursuit of their aims. There would be no advantage to the West in incitement to sabotage, rioting or guerilla operations. Strikes and peaceful demonstrations, if they were to occur, might play a valuable part in crystallising popular opposition to the existing régimes in those satellites which have remained relatively quiet (Czechoslovakia, Bulgaria and Rumania). But in Hungary even this might do more harm than good and the West should be chary of attempts to stimulate even peaceful demonstrations.

7. Poland. The Western attitude to the Polish régime is of crucial importance. In Poland a degree of "National Communism" or independence from Moscow has been achieved. The Western aim

must be to prevent the precarious balance which sustains Gomulka from being upset, whether by a Stalinist revival or by a popular rush towards liberalism pronounced enough to provoke Russian intervention or by economic difficulties. Warm public support for the present Polish Government might handicap Gomulka in his dealing with the Russians. Western policy should seek to extend discreet help to Gomulka to the extent that that is possible without provoking Soviet countermeasures.

8. Trade. It would be unrealistic to contemplate weaning the satellites away from the Soviet Union by economic and financial means. But, quite apart from any commercial advantage Western countries might gain by increasing their trade with the satellites, and there is probably some advantage in reducing the degree to which the satellites are economically dependent on the USSR. In practice the main difficulty is the satellites' lack of foreign exchange. There would be no point in the Western Powers relieving the satellite and Soviet Governments of this problem by offering credit. Poland deserves somewhat more generous treatment within the limits of normal commercial considerations.

9. Aid. There can be no question of aid for Albania, Bulgaria, Czechoslovakia, Eastern Germany or Rumania. Hungary presents a dilemma. It is desirable neither to bolster the Kadar régime nor dishearten the Hungarian people. The best policy would be to concentrate on genuine relief goods, which should be distributed as gifts to the needy, if possible directly through the Red Cross and other voluntary bodies, and to refuse to provide anything which would assist Kadar and the Russians in their task of rehabilitating the Hungarian economy.

10. In Poland there are strong reasons for helping Gomulka to remain in power but it is desirable to proceed cautiously. It would be important that Western economic aid should be short-term; that it should as far as possible approximate to normal trade, and that the quantities involved should not be such as to gravely disturb the Russians. Aid, if any, should be directed towards enabling Gomulka to overcome the difficulties he is likely to meet in the near future in the alleviation of acute hardships and in improving Poland's capacity to earn foreign exchange. It should also serve as a sign to the other satellite peoples that the West is interested in their plight. In the longer term aid might stimulate a gradual return of Polish trade towards pre-war channels.

11. Cultural Exchanges. The evidence that internal unrest in the satellites has been only suppressed and not uprooted suggests that some of the effort previously devoted to cultural exchanges with the Soviet Union might profitably be diverted to the satellite countries. If this is done, large-scale manifestations, visits by theatrical groups, orchestras, circuses, etc., should not be encouraged, but discreet exchanges of professional, scientific, technical and cultural experts (and if possible students also) should be fostered. Publicity should be avoided as far as possible, as the satellite governments would seek to turn it to their own advantage.

12. In this case again Poland deserves exceptional treatment. Exchanges with Poland should be allowed to expand normally up to whatever limit the Polish Government will tolerate. There should be no pressure from the Western side but rather a natural expansion of contacts.

The DDR is a special case. The DDR authorities do their utmost to exploit cultural contacts in furtherance of their campaign for international recognition. Without playing into their hands it is possible, and advantageous, for some cultural contacts to be maintained with the Soviet Zone population. But we should not wish to promote cultural exchanges.

13. Publicity. Although the future of Poland is the crucial political issue, events in Hungary are the crucial publicity issue. It is only by harping on the enormity of Soviet action in Hungary that the West can recruit world opinion to apply moral pressure to the Soviet Government, and so indirectly help the satellite peoples as a whole and Poland in particular. It is therefore very important that the question of Hungary should be kept alive in the international forum, particularly in the United Nations.

14. Publicity directed towards Eastern Europe should be designed to take advantage of the intellectual ferment which is known to exist in the satellites and the Soviet Union. Broadcasting is necessarily the main medium for Western publicity of the satellites over which Soviet control is complete, Czechoslovakia is probably the most important publicity target. Propaganda to Poland must be carefully controlled lest the stability of Gomulka's Government be upset. Publicity towards Hungary should do no more than try to sustain the people's present mood.

REVIEW OF THE SITUATION IN THE SATELLITES

✓This Paper does not include an assessment of the situation in the German Democratic Republic (DDR). It is assumed that the German Delegation will submit a report on this subject to the Committee of Political Advisers.

POLAND

Polish/Soviet relations are something of an enigma. The Soviet leaders probably do not like or trust Gomulka but he stands for the maintenance of Communism and they have agreed to do business with him rather than embark on the risky course of military action against a united government and people in a most sensitive area. It is doubtful, however, whether any clear understanding has been reached between the Soviet leaders and the Poles as to the limits to which the latter can be allowed to go in deviating from the Soviet line. It is probably common ground between them that Poland cannot rid herself of the Soviet forces on Polish soil or of her Warsaw Treaty ties. These are the minimum Soviet requirements. But it is unlikely that the Soviet Government have expressed straightforward approval for Polish attempts to develop broad economic and other ties with the West. In matters of this sort it will be a problem for the Poles to know how far they can go without provoking the Russians, and it will be a problem for the Russians to judge at any given stage whether cumulative effect of Polish deviations is such that the Soviet Union must undertake the very great risks of military intervention (which, incidentally, become greater as time goes on).

2. The process of de-Stalinisation in Poland has been carried to considerable lengths. The machinery of terror has largely been dismantled. Though the press remains partially muzzled, speech is virtually free. Jamming of Western broadcasts has been abolished. De-centralisation, democratisation and socialist legality have become more than slogans. Collective farms have been allowed to dissolve at the wish of their members. Major concessions have been made to religious feeling. There is a genuine move, now strengthened by a partial rationalism of exchange rates, to improve relations with the West.

3. Nevertheless Gomulka remains a Communist, and his Government accept the doctrine of the dictatorship of the proletariat. Though he probably dislikes membership of the bloc as the Soviet leaders understand it, he has no choice in the matter because of the threat of Soviet intervention and also because of the difficulties of the Polish/German frontier.

4. Economic difficulties have to some extent been aggravated by the introduction of liberalising measures. Earlier promises of a 30% increase in wage rates have had to be shelved. The aid promised by the Soviet Union has left many of Poland's difficulties unresolved. Gomulka is now looking for credits outside the bloc with which to modernise industrial equipment and purchase consumer goods. But the basic fact of Polish economic dependence on the Soviet Union remains.

5. Gomulka's stand against the Russians has made him a national rather than a party hero. His future control of the situation may depend on the extent to which his personal prestige can withstand the criticisms likely to be caused by economic troubles.

His personal triumph in the elections should strengthen his hand against the Stalinist opposition in the party, but the Stalinist opposition may hope to exploit Polish discontents against him. If Gmulka is unseated, either by Soviet pressure, Polish discontent or ill-health, there is no other public figure now in sight who could command the situation.

CZECHOSLOVAKIA

6. In spite of the fact that there are no Soviet troops in the country, Czechoslovakia has emerged from the recent turmoil as the model satellite. The decisive event appears to have been the party conference held in June 1956 at which the party leaders took care to take timely measures against the first signs of dangerous thoughts and popular ferment in the country. The Czech leaders are fortunate in that the Stalinist policy of forced industrialisation has affected the Czech economy less adversely than the economies of the other satellites. The Czech leaders have never been so spectacularly Stalinist as, for example, Rakosi, with the result that it was not so difficult for them to survive the debunking of Stalin.

7. A few concessions have been made. The unpopular Copicke was dismissed. There have been various measures of de-centralisation. Soviet emblems have been quietly removed from public places. But there has been no genuine liberalisation. Students and writers have been firmly controlled. Forced collectivisation continues. There is no suggestion of a Czech road to socialism, and the recent Soviet/Czech joint statement points to Czechoslovakia's complete subservience.

8. The Czech economy is by Eastern European standards healthy and the standard of living high (though both compare unfavourably with pre-war standards). Alone of the satellites Czechoslovakia has not had to seek substantial aid from Moscow. The 5-Year Plan is being re-drafted. Some shift may be expected in capital investment and the Czech consumer is likely to receive some benefits. The Soviet Union evidently attaches importance to economic measures as a means of ensuring continued Soviet control. The Czech economy is being increasingly integrated with the Soviet and East German economies.

9. The Czech Government appear to be confident and there is no serious unrest. The Soviet/Czech joint Declaration contained a scarcely veiled threat that Soviet forces would intervene if there were trouble in the country. This will probably serve to keep the Czechs quiet. But in the long run the Czech Government, like the Soviet Government at home, will presumably seek to obtain greater co-operation from the people and this may lead to further economic concessions.

RUMANIA

10. The Rumanian régime has accomplished the changes to de-Stalinisation and back again to a harder line with the minimum of dislocation. The old leadership has remained firmly in control throughout. Past difficulties have been explained away by blaming

them on the leaders who were eliminated in 1952. There have been slight relaxations such as the release of some political prisoners; but Police controls were always effectively maintained, and since the Hungarian rising they have been intensified. A very firm grip is being maintained on the intelligentsia and students. One of the principal members of the Communist leadership has been made Minister of Education.

11. It is only on the economic front that there are clear signs of a readiness to make some concessions. There were small increases in welfare benefits at the time of the Hungarian rising. These were followed in December by promises of increases in minimum wages, by the cancellation of compulsory deliveries of agricultural products (apart from meat and wool), and by measures of de-centralisation in trade to facilitate the equation of supply with demand. The Soviet Union is giving some much needed assistance. Soviet grain will breach the gap between last year's bad harvest and the 1957 harvest.

12. In 1956 the Rumanians appeared particularly eager to develop cultural contacts with the West and a few strictly stage-managed exchanges followed. The Hungarian uprising put an end to this movement, but the Rumanians seem anxious to start again. The Rumanian attitude to Yugoslavia has remained more friendly than that of the other satellites, perhaps because she is being used as a pawn by Russia in her complicated manoeuvres with Yugoslavia. There were signs of trouble among the Hungarian minority in Rumania at the time of the Hungarian revolt, but the Government quickly crushed this. There is no sign of open challenge to the régime. Nevertheless, the Government feels it necessary to consult the interests of the people more than previously.

BULGARIA

13. The twentieth Congress of the Communist Party of the Soviet Union was followed in Bulgaria by the demotion of CHERVENKOV and the posthumous rehabilitation of KOSTOV. CHERVENKOV remained an influence behind the scenes. Liberalisation amounted to very little. A certain amount of criticism of errors was permitted and a slightly more liberal attitude was adopted in controlling the daily lives of the people and in contacts with the West. These trends ended with the Hungarian revolution.

14. The Bulgarian Government claim that the country is solidly behind them, but they have nevertheless thought it desirable to take precautions. Police controls have been tightened and many suspects have been removed into custody or to rural areas. Discipline has been strictly enforced among students.

15. On the other hand, there have been some concessions in the economic field. Children's allowances have been substantially increased, a pension scheme introduced for collective farmers, and minimum wages raised for workers. Greater flexibility has been introduced into the system of state delivery quotas and the financial burden on the farming community has been eased. The bureaucratic machine is being somewhat reduced and streamlined.

16. CHERVENKOV has now returned to the front rank as Minister of Education. The collectivisation drive continues. Bulgaria's economic dependence on the Soviet Union steadily increases (Soviet economic aid of course contributes to it). The Bulgarian régime appears to be secure and, although there is good evidence that communism has not struck roots in the country, there is no sign of potential revolt.

ALBANIA

17. Albania remains under the firm control of its Stalinist leaders and is steadily loyal to the Soviet Union. Albanian solidarity with the Soviet Union derives to a considerable extent from dislike and fear of the Yugoslavs. There was a slight decrease in Albanian-Yugoslav hostility during 1956, but the Albanian leaders are probably relieved that these relations have now become very bad again.

18. On the other hand, the Soviet Government does not allow Albania to play much part in bloc affairs. This may be because they do not wish to offend Yugoslav national feeling at a time when they are having to take issue sharply with Tite on ideological matters. Recently the Bulgarians played an important part in maintaining Albanian contact with the Bloc. The Bulgarian Prime Minister visited Tirana and a joint declaration on conventional lines was issued.

19. Information about Albanian internal affairs is meagre, but there is no evidence of any threat to the stability of the régime. The fate of TUK JAKOVA and BADRI SPAHIU, alleged pre-Yugoslav conspirators, is obscure, as also is the extent of their potential following.

HUNGARY

20. Since the beginning of 1957, KADAR and his Soviet masters have been on the offensive. Their attitude has steadily hardened and previous signs of a readiness to compromise with the Hungarian people have been abandoned. The Russians had little choice in this if they were to keep control of Hungary. The previous mixture of blandishments and threats had failed to win any popular support.

21. With the progressive reconstruction of the police apparatus and the Party, a reign of terror has steadily developed. Russian troops are not themselves active in the campaign, but they are present in force and would no doubt intervene if necessary. Former promises of a broadening of the régime have not yet had any significance in practice. In so far as the régime has any breadth, it consists in the fact that the Communist leadership now embraces several adherents of Rakosi as well as communists of other shades (excluding, of course, those of the Nagy persuasion).

22. Hungarian agriculture appears to have suffered little from the revolution. It may even have benefitted. The breakdown of collective farming and the cessation of compulsory deliveries and exports may have stimulated the efforts of the peasantry.

23. Hungarian industry on the other hand is in a state of chaos. Production is at a low level. However, the situation is slowly easing and a considerable amount of aid from the Soviet Bloc in the form of fuel, raw materials, consumer goods and foreign exchange is being made available. There can be no doubt that, for at least a year, there will be a considerable gap between Hungarian production and Hungarian needs. Hungary will be a liability to the Soviet Bloc. In spite of the economic chaos, a number of concessions have been made in the economic field. The abolition of compulsory agricultural deliveries has been confirmed. Membership of collective farms is in future to be "voluntary". There are to be more consumer goods. Small private enterprises may be re-established and artisans are being encouraged to take up their former trades. These concessions will mean little or nothing to the industrial workers faced with mass unemployment.

24. KADAR and his colleagues are entirely dependent on Soviet military support. No conceivable shuffling of personalities will alter this fact. The chances of any sort of political evolution are therefore smaller in Hungary than in any of the other Satellites, in spite of the Hungarian people's prolonged struggle for liberty.

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