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COMMITTEE OF POLITICAL ADVISERS

THE ROLE OF THE SATELLITES IN CULTURAL AND ECONOMIC PENETRATION BY THE COMMUNIST BLOC

Note by the United Kingdom Delegation

In their Note AC/119-WP(59)49 of 5th May, 1959, the Greek Delegation suggested that it might be useful to exchange information in the Committee of Political Advisers on the part played by the Satellites in general and the Bulgarian Government in particular in the international activities of the Communist Bloc. The United Kingdom Delegation fully supports this proposal. A further Note on the subject was circulated by the United States Delegation as AC/119-WP(59)60 of 26th May, 1959.

2. The United Kingdom authorities have given some study to this problem but they are unable, on the basis of evidence at present available to them, to form any opinion on whether Bulgaria is likely to have been allocated a special role in the Soviet Bloc's offensive in the Middle East and Africa. Nor can they so far discern any clear pattern showing the part which other Satellites may be playing in Soviet strategy.

3. Responsibility for carrying out the Bloc's economic offensive is certainly shared by the Satellite countries. Although no clear-cut division of effort appears to have been laid down, in general two methods of approach are in evidence. These involve

- (i) a substantial Soviet credit for goods and services, some or all of which may be furnished by Satellite countries, or
- (ii) bilateral trade agreements between individual Satellite and under-developed countries, which
 may be linked with smaller-scale credits.

In the case of (i) the Soviet Government is presumably free to decide to whom the deliveries should be sub-contracted. Agreements under (ii) appear to be due largely to the initiative of the countries concerned and to depend on the products each has available for export. This in turn is to some extent (and will increasingly be) governed by the degree of industrial specialisation achieved by the Council for Mutual Economic Assistance (CMEA).

4. It is possible that Bulgaria may have been given the responsibility for conducting initial "market surveys" on behalf of the Bloc as a whole in certain Middle Eastern and African countries. The task of providing basic factual information on which to base future Bloc proposals seems to be divided between the Soviet Union and the European Satellites, and the fact that

Bulgaria may have been chosen does not mean that that country will, min practice, play a large part in economic penetration attempts in Othe Middle East and Africa. The total credits extended by Bulgaria not the under-developed countries during the years 1954-58 are mestimated to have amounted to only US \$5.2 million out of a total of 2US \$ 362 million for the Sino-Soviet Bloc as a whole.

5. Two brief summaries of recent international activities F(a) by Bulgaria and (b) by the other Satellites are enclosed as Annexes A and B to this Note.

6. The United Kingdom authorities are giving this subject further study and any conclusions will be communicated to the Committee of Political Advisers.

<u>ANNEX A to</u> AC/119-WP(59)60/1

BULGARIA

Host country to the International Trade Union Committee for Solidarity with <u>Algerian</u> Workers and people, which met near Varna at the end of May. Apart from Algeria and Communist countries, delegates came from Indonesia, Italy, Iraq, Morocco, France, Chile, Yugoslavia and Japan.

2. Visited by a Delegation of the <u>Iraqi</u> Communist Party at the end of February.

3. Khalid Bakdash of the <u>Syrian</u> and Ash-Shawi of the <u>Lebanese</u> Communist Parties were received by the Bulgarian Politburo in April.

4. Cultural Co-operation Agreement with <u>Irac</u> signed in April.

5. Sofia Radio criticised the <u>UAR</u>'s anti-Communist and anti-Iraqi policies in March, and a press polemic developed briefly between the two countries in April, but the Bulgarian Deputy Minister of Forcign Affairs was received by the <u>UAR</u> Minister of Foreign Affairs in July.

6. An <u>Indonesian</u> parliamentary delegation visited Sofia recently.

7. In June Cologne Radio broadcast in Arabic a report that the Bulgarian Communist Party had decided to set up a centre in Sofia for the penetration of Middle Eastern and particularly Arab countries. In this connection it will be recalled that, on his return from Moscow in February, Zhivkov announced that Bulgaria would assist Arab countries to the limit of its power. This was presumably an approved policy of declaration.

NATO CONFIDENTIAL ANNEX B to AC/119-WP(59)60/1

OTHER BLOC COUNTRIES

Czechoslovakia, the DDR, Poland, Hungary and Rumania (as well as Bulgaria) have all signed cultural agreements with Irag. Czechoslovakia has also taken steps to improve or maintain good relations with the UAR: These have included the signing of a cultural convention, the establishment of a Czechoslovak Aegyptological Institute in Cairo, with Czechoslovak archaeologists working in the Aswan area. There have been Czechoslovak film festivals in Syria and in Cairo, and UAR students probably form the largest contingent of foreigners in Prague. Haile Selassie's visit to Prague (the only East European capital at which he stopped after Moscow) resulted in an undertaking to negotiate an agreement on cultural exchanges, the elevation of the status of the respective Missions in each country to Embassies, and an Hon. LL.D. at This is only one of a Charles University for the Negus himself. number of Czechoslovak Missions which have been raised in status recently, including those in Finland, Mexico and Cambodia; diplomatic relations have also been opened with Chile.

2. The DDR seems to have concentrated on attempts to woo <u>Iraq</u> and the UAR into diplomatic relations (unsuccessfully, so far, since both these countries are in relations with Western Germany); both, however, announced their intention of sending delegates to the tenth anniversary celebrations of the DDR in October, 1959. A DDR Government delegation visited <u>Ghana</u> in March, and it was announced that the cultural relations between the two countries would be expanded. Much was made in the DDR press of Mr. Nehru's reception of Grotewohl in <u>India</u> during the latter's tour of the Middle and Far East. 120 <u>Algerian</u> "patriots" were given six months' free holiday in the DDR.

3. Rumania's Central Council of Trade Unions has sent messages to Indian, Moroccan and African Trade Unions on various occasions (the last named being the African CGT at Brazzaville, and the message condemning "imperialist atrocities" in the usual terms). "African Freedom Day" was celebrated in Bucharest on 15th April under the auspices of the Rumanian League of Friendship with the Peoples of Asia and Africa. <u>Ceylon</u>'s national day was the occasion for an article in the Rumanian Party paper praising the Bandaranaike Government for its stand against imperialism.

4. Poland and Hungary appear to have taken back seats in this activity, although Poland had a visit from President Soekarno and from a Colombian parliamentary delegation (which also visited the DDR).