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REPORT ON THE IMPLEMENTATION OF THE FINAL ACT OF THE CSCE

REVIEW OF IMPLEMENTATION

Note by the Secretary General

Attached is the Tenth Report of the Council in Permanent Session on the implementation of the Final Act.

2. This report is a follow-up to the Ninth Report prepared in December 1979(1) and covers the period 1st November 1979 to 1st May 1980.

3. The sections of the report dealing with implementation of Chapter II provisions have been prepared by the Economic Committee.

4. Part II draws attention to general trends and developments during the period under review. In the Annex, an evaluation of the implementation is given on a country-by-country basis.

5. At the meeting on 18th June 1980, the Council noted the report and approved its transmission to Ministers.

(Signed) Joseph M.A.H. LUNS

NATO,  
1110 Brussels.

This document includes: 1 Annex

(1) C-M(79)72(Revised)

N A T O C O N F I D E N T I A L

IMPLEMENTATION OF THE FINAL ACT OF THE CSCE

Tenth Report by the Political Committee  
(1st November 1979-1st May 1980)

Review of Implementation by the East European States  
and the Soviet Union

I. Introduction

1. At its meeting on 1st October 1975, the Council agreed that reports on those aspects of the implementation of the Final Act of the CSCE, which have a particular importance for members of the Alliance, could be prepared by the Political Committee.

This is the tenth such report and covers the period from 1st November 1979 until 1st May 1980(1).

2. It is recommended that the Council take note of this report.

II. General trends in implementation by the Soviet Union and East European countries

General

3. Looking at implementation of the principles and provisions of the Final Act by the Soviet Union and East European countries, four developments can be distinguished that affect the otherwise largely unchanged record of implementation in the period under review.

- (a) The first development is the Soviet invasion of Afghanistan, an action by which the Soviet Union violated most of the principles of the Final Act.
- (b) The second development is the increased suppression of dissidents in the Soviet Union, Czechoslovakia.
- (c) The third trend is the tighter economic situation which led, e.g. in Hungary and Czechoslovakia to increased financial restrictions on travel abroad and cutbacks in the budgets for cultural co-operation. In Poland it had an opposite effect. It led to a stimulation of all aspects of the human contacts provision as a means to obtain hard currency.
- (d) The fourth trend is a phenomenon that occurred also before the Belgrade Meeting, caused by the approach of the Madrid Meeting, the so-called "Madrid effect" which in Czechoslovakia and the GDR led to a noticeable increase in the solution of humanitarian cases.

(1) This report has been based on information supplied by delegations

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4. Looking at the overall picture of implementation by the Soviet Union and the East European countries, it shows that the state of affairs that prevailed before remains practically unchanged. However, the trend which has already been noted towards a degree of diversity in Final Act implementation has continued. Conditions in the Soviet Union and Bulgaria remain very restrictive and unsatisfactory. Romania has improved its family reunification emigration record somewhat but the overall human rights situation remains quite difficult. With the exception of some improvement in the area of human contacts overall implementation in the GDR and Czechoslovakia remains negative, particularly in the field of human rights. The implementation record of Hungary and Poland within Eastern Europe is rather satisfactory, although in Poland the suppression of dissidents has increased during the period under review. Apart from Hungary and Poland, the working conditions for journalists remain difficult. In all seven countries the availability of Western newspapers and periodicals leaves much to be desired.

Declaration of Principles

5. The invasion in Afghanistan constituted a violation of most of the principles contained in the Final Act. Afghanistan is not a CSCE participating state but the post-amble of the Declaration of Principles says:

"The participating states declare their intention to conduct their relations with all other states in the spirit of the principles contained in the present Declaration".

6. The period under review was also characterized by increased suppression of dissident movements in the Soviet Union, Czechoslovakia and, though considerably less severely, Poland.

- (a) The Soviet Union undertook as severe measures against Soviet dissidents as any since the dissident movement took shape in the late 1960s. In this action the exiling of Professor Sakharov, the most prominent activist of the movement, drew the most attention in the Western world. The campaign appears to be aimed at eliminating the nerve centres of the movements, i.e. its most prominent and effective activists and its most important institutions. The desire to make a clean sweep before the Olympic Games undoubtedly plays an important rôle in this campaign, or at least in its timing.
- (b) In Czechoslovakia the general harassment of dissidents has continued. Those who have been arrested and released know that they are on parole. Active Catholics also are increasingly harassed. A number of them were held until the beginning of this year and then released under the threat of continuing investigation. Members of Dr. Julius Tomin's "Jan Patočka" alternative university are regularly detained for a couple or more days.

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- (c) In Poland the harassment of dissidents has also increased. In contrast to what happened during the last period under review, this time a demonstration in Warsaw was followed by the detention of four dissidents for periods of up to three months. Arrests under the rule which allows the police to detain a person for up to 48 hours without bringing charges have increased. This harsher policy of the Polish Authorities may be partly explained by the circumstances that dissident activity has increased and has become more overtly anti-Soviet and anti-Communist. Repressive actions also intensified against the so-called "Flying Universities". Police and legal actions have rather effectively closed down much of the operation of these "Universities", although the church renders some aid and some courses have been put on tapes and circulated less conspicuously.
- (d) In contrast to the developments in the other East European countries is the situation in Hungary, where dissidents sent a letter to Prime Minister Kadar and others to protest the sentences issued in Czechoslovakia against members of Charter 77, an action that was met only with a demand of explanation and a mild reproof.

Confidence Building Measures

7. During the period under review no manoeuvres were notified, nor were observers exchanged. There are no indications that major military manoeuvres of more than 25,000 troops were held in the area described in the Final Act for notification of those manoeuvres. Since the end of the Belgrade Meeting (9th March 1978) the Soviet Union and the East European countries have notified six major military manoeuvres of more than 25,000 troops; Hungary notified orally a smaller scale manoeuvre. Observers were invited to only one major manoeuvre.

Co-operation in the Field of Economic, of Science and Technology and of the Environment

8. It remains difficult to evaluate the degree of positive advances in Basket II implementation during the period from 1st November 1979 to 1st May 1980. Whereas in certain aspects, business conditions may have become slightly more operational, such developments have been countered by political and official restrictions. The enactment of administrative measures have in some cases facilitated and in others hindered normal day-to-day business functions. In East Berlin, for example, provision is made for the more practical aspects of conducting business, although the prevailing psychological atmosphere for negotiations is extremely wearying for Western businessmen. The publication of key economic indicators essential for making reasoned market analyses is largely lacking throughout Eastern Europe and the USSR. In Poland and Romania where

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businessmen have traditionally enjoyed a relative amount of co-operation in their business relations, recent legislation will henceforth make operations more expensive. Hungary continues to make the most tangible progress in Basket II implementation and businessmen are encountering active Hungarian interest in varied forms of co-operative ventures. There has been virtually no improvement in Basket II implementation in Czechoslovakia, as this country is becoming more and more oriented toward economic integration within CMEA. Bulgaria has just recently begun to show signs of greater interest in economic co-operation with the West. It has enacted preliminary legislation designed to legalise the establishment of such joint projects. Overall in Eastern Europe, businessmen are discovering that countertrade and buy-back arrangements are becoming a determining factor in the conclusion of contracts. Despite the economic repercussions of the Soviet invasion of Afghanistan, business with the USSR has not markedly deteriorated and continues in the same tedious fashion with very little improvement in housing and office accommodation, supply of economic and commercial information and business contacts.

Human Contacts

9. The period under review shows a noticeable increase in the solution of humanitarian cases in Czechoslovakia and the GDR - a change which is probably attributable to the approaching Madrid Meeting, the so-called "Madrid effect". The difficult economic situation has put financial restrictions on possibilities for travel abroad in Czechoslovakia and Hungary, although in Hungary the policy remains comparatively liberal. In Poland the economic situation has had the remarkable effect of stimulating family visits and tourism from and to Poland as a means to obtain hard currency. Tourism to Eastern Europe is stimulated by all East European countries and the Soviet Union because of the need for hard currency. The attitude of the authorities in the Soviet Union, Romania and Bulgaria remains very negative to travel abroad of their citizens, be it for reasons of family visits or for general travel purposes.

Information

10. The availability of Western newspapers and periodicals leaves much to be desired in all seven countries. It is the general impression that no progress has been made in this field since the signing of the Final Act.

11. Working conditions for journalists in Hungary and Poland remain good. There are no restrictions either with regard to technical means or for access to sources of information. In Romania, while the technical facilities are good, information available is still largely limited to official sources. The same applies to the GDR where tighter controls over foreign journalists starting with the April 1979 regulations in particular with regard to contacts with East German citizens, have continued to apply. In

Czechoslovakia the working conditions for journalists remain very difficult. Resident correspondents spend quite long periods under surveillance and suspect that the police try to trap them into compromising situations. Warnings can be official or unofficial ranging from a formal summons to the Foreign Office to critical references in the official media and even physical damage to property. By making permanent accreditation in Prague of journalists who reside outside the country (e.g. in Vienna) extremely difficult and by withholding re-registration of local support staff the authorities aim apparently at encouraging the agencies to send more resident correspondents to Prague and thus to gain greater control of their product. In the Soviet Union the working conditions remain extremely difficult. However, the period under review is notable for the absence of major incidents apart from difficulties in obtaining visas for visiting newsmen. In Bulgaria the working conditions for journalists are seldom put to the test.

Co-operation in the Cultural and Educational Field

12. Co-operation with the Soviet Union in the area of culture and education has in some cases deteriorated as a consequence of the invasion of Afghanistan which led a number of Western countries to curtail their contacts in the scientific and cultural fields. Another element that had a negative influence was the series of defections by Soviet artists during trips to Western countries which led to the cancellation of the visits of several Soviet troupes. Co-operation in cultural and educational fields in other East European countries remains relatively good, although Hungary had to reduce its budget for this co-operation. Some countries like Bulgaria and the GDR concentrate in particular on those issues from which they gain technical knowledge and benefits.

III. Multilateral CSCE Process

13. In accordance with the provisions of the Final Act of the Conference on Security and Co-operation in Europe and of the report of the meeting of experts representing the participating states and their national scientific institutions held in Bonn from 20th June to 28th July 1978, the Scientific Forum took place in Hamburg from 18th February to 3rd March 1980. It was held in the form of a meeting of leading personalities in science from the participating states. In addition to the adverse reaction to the Soviet invasion of Afghanistan, the exile by Soviet Authorities of Dr. Andrey Sakharov to the closed city of Gorkiy shortly before the meeting had a profound impact on the discussion which took place. Although from a scientific point of view the Forum was not altogether satisfactory, there were some aspects which make it possible to say that the meeting as a whole was worthwhile. For political or other reasons arising out of the international situation, the Soviet side took a more receptive line: they agreed that references to human rights and fundamental freedoms, which they had hitherto opposed, should be included in the final report and also reacted with greater restraint to Western criticism, thus making it possible to avoid an excessively tense atmosphere. The language of the final report

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underlines the need for improving scientific exchanges and scientific co-operation. Existing obstacles, especially in the case of travel for scientific purposes are mentioned in the form of the demand to create adequate possibilities for scientific research and for intensifying scientific exchanges of views, scientific links and visits for scientific purposes. The respect for the principle of human rights and fundamental freedoms by all countries is emphasized for the first time as a condition for a fundamental improvement not only of mutual relations but more directly also for international scientific co-operation at all levels, i.e. including co-operation between individual scientists.

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COUNTRY IMPLEMENTATION

1. Bulgaria

(a) General

During the period under review no significant change in the generally meagre Bulgarian record of implementation has been noted. There were a number of slight improvements, mostly in areas that are in Bulgarian self-interest; thus tourism has been developed rapidly to raise foreign currency, and bilateral exchanges with a specific scientific or technological benefit have been encouraged. A negative development was the more restricted policy toward family reunification and family visits, where the progress noted in the last CSCE report has not been sustained.

- (b) (i) Principles: No specific developments with regard to the Declaration of Principles were noted. In the field of human rights and fundamental freedoms the situation remained unchanged and restrictive. Neither dissident activities nor government actions against dissidents have been reported.

- (ii) Confidence Building Measures: No manoeuvres were notified, nor did Bulgaria exchange any observers.

(c) Economic Co-operation

The most noteworthy development to occur in relation to Basket II provisions during the current reporting period was the issuance at the end of March of a decree promoting joint enterprises between Bulgarian economic organizations and foreign companies. The latter may hold the majority interests although not possessing full ownership rights. The more operational details regarding wages, remittance of profits and taxation have yet to be worked out, although the Bulgarian Government has indicated interest in concluding taxation agreements with both France and the Federal Republic of Germany. This latest legislation is viewed as a very necessary and timely step in promoting joint venture arrangements with Western commercial partners.

Very little change is noted in respect to business working conditions. In some cases, regular businessmen have gained access to end-users, but, in general, contacts are restricted to the responsible foreign trade organizations. A recent decree allowing end-users more decision-making in the course of contract negotiations may erode somewhat the monopoly of the foreign trade organizations.



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The situation for hotel and housing accommodation remains little changed. Visiting businessmen tend to patronise the Otani-vitosha Hotel, which maintains a good reputation. On the other hand, resident businessmen have difficulty in obtaining housing of a more permanent nature.

Under the Visas Procedure Agreement (30th March 1979), visas for business purposes are readily issued. Resident businessmen receive multiple entry visas valid for up to one year. Businessmen travelling frequently to Bulgaria obtain multiple entry visas good for six months, although problems are sometimes encountered with this form. The Federal Republic of Germany has reported some harassment of West German businessmen who have been searched and detained at border crossings as to the goods in their possession.

Little progress has been made in the availability of economic and commercial information, which remains incomplete and out-dated. In conjunction with the March Conference of the International Chamber of Commerce, Bulgaria published additional economic data, but of very little value for commercial purposes. Through a co-operative agreement between Bulgaria (National Agro-industrial Unit) and the US Department of Agriculture, the former has agreed to supply the latter promptly with specific agricultural statistics.

It has been observed that the Bulgarian Government has arbitrarily broken several contracts with Western firms. Rather questionable official excuses are offered, and it is speculated that the government has probably found more advantageous conditions from alternate suppliers.

(d) Human Contacts

With regard to family meetings and family reunification, the progress noted during the last reporting period has not been sustained. Several embassies noted a significant drop in the number of Bulgarians that were permitted to visit their families in Western countries. However, Western citizens wanting to visit their families in Bulgaria encountered no real difficulties. Tourism to Bulgaria has been encouraged and developed rapidly, obviously with a view to obtaining foreign currency.

(e) Information

No changes have appeared. The availability of Western newspapers remains minimal. A few copies of the Süddeutsche Zeitung and The Times appear on a somewhat regular basis in the kiosks in Sofia and in Hotel Sofia.

No reports have been received on working conditions for journalists, probably partly due to the limited interest of the Western press in Bulgaria.

(f) Cultural and Educational Co-operation

Bulgarian performance in the cultural field has continued to be good, although exchange programmes are occasionally hampered by bureaucratic delay and inefficiency. During the period under review there has been a noticeable increase in the number of American films shown commercially in Sofia and on television. A remarkable feat of translation was the apparition in Bulgarian of the "Story of Tijl Uilenspiegel". With regard to educational co-operation Bulgaria is particularly enthusiastic about projects from which it stands to gain obvious scientific or technological benefit. Access to the Bulgarian archives, on the other hand, remains deplorable.

2. Czechoslovakia

(a) General

The period under review is characterized by an even harsher suppression of the dissident movement than before. Another remarkable aspect was a noticeable increase in the solution of cases of family reunification, obviously due to the approach of the Madrid Meeting. With regard to the general implementation policy of the Czechoslovak Government, the policy and state of bilateral relations plays an overriding rôle. As the Madrid Meeting is approaching the Czechoslovak Government is considering its policies more consciously in terms of CSCE. This apparently means that the officials must find the best rationale they can for policies which will not be changed.

(b) (i) Principles: In the field of human rights and fundamental freedoms (Principle VII) general harassment has continued and those arrested and released know that they are on parole. Members of Dr. Julius Tomin's "Jan Patočka" alternative university are regularly detained for a couple or more days. At least one of the visiting foreign lecturers, the Master of Balliol College in Oxford, has been expelled. Active Catholics also are increasingly harassed. A number of them were held until the beginning of this year and then released under the threat of continuing investigation.

(ii) Confidence Building Measures: No manoeuvres were notified, no observers were exchanged.

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(c) Economic Co-operation

Several Alliance countries have observed a tendency in Czechoslovakia towards greater economic integration within the CMEA framework. The Czechoslovak Government is participating to an increasing degree in long-term programmes of production, specialization and co-operation with the USSR and other Eastern bloc countries.

To an ever greater extent, business contacts are requiring prior clearance from the Ministry of Foreign Trade. Businesses entering the Czechoslovak market for the first time are finding the relevant government ministries unencouraging and unresponsive. The total number of approved Western firms remains at 50 and those having received permission more recently are experiencing problems in locating suitable premises. Hotel accommodation is still very tight and even advance reservations offer no guarantee, due to practices of overbooking and favouritism. Western firms are also obliged to engage local personnel through the Czechoslovak Authorities rather than hire qualified individuals of their choice. No difficulties are reported in obtaining business visas although applications usually require two weeks processing. Customs procedures at border points have become more rigorous as officials are searching for goods which may be destined as possible bribes in business negotiations.

Commercial malpractices are reported in the acceptance of tenders and violation of contractual terms. The Czechoslovak Academy of Science has proved to be unco-operative and indifferent to the needs of Western scientists participating in scientific exchange programmes.

No definite improvement has occurred in the realm of economic and commercial information. Statistical materials are published only after long delays and are incomplete and lacking in sufficient detail. Facts concerning the Plan, available in the press, or information in institute publications are inadequate for conducting thorough market analyses. It is virtually impossible for Western firms to carry out market research and public relations independently. Advertising and publicity must all be done through the State agencies for advertising and exhibits.

The Minister for Foreign Trade announced in the Federal Assembly on 11th April that certain measures would be enacted shortly permitting certain production enterprises

to deal directly with foreign business interests without the intervention of Foreign Trade Organizations. Whether this legislation will facilitate Czechoslovak and Western commercial co-operation remains to be seen in the light of the country's current economic situation.

(d) Human contacts

The solution of cases of family reunification showed a noticeable increase. It is the general impression that the Czechoslovak authorities have decided to eliminate as many cases as possible before the Madrid Meeting. Family visits by Czechoslovak citizens have been hampered by financial restrictions, in those cases where the relative is not sponsoring the visit financially. In "sponsored" cases there has been a sharp decrease in the processing time for such applications (formerly 3-5 weeks, now 7-10 days). With regard to travel, currency restrictions play an important rôle. This year official policy for tourist travel to the West is said to give priority to granting currency certificates to those who have never travelled abroad or who have not done so within the last four years.

(e) Information

The very restrictive policy with regard to distribution of Western information that existed before the signing of the Final Act has changed very little since. Western information is suppressed, among other reasons, because the régime feels offended by the wide television and press coverage, in particular in the field of human rights, which Czechoslovakia receives in the West. Working conditions for journalists remain very difficult. Access even to official sources has become increasingly limited. Resident correspondents spend quite long periods under surveillance and suspect that the police try to trap them into compromising situations. Warnings can be official or unofficial, ranging from a formal summons to the MFA, to critical references in the official media and even physical damage to property. Although the permanent accreditation of foreign journalists with established offices in Prague can take a long time to arrange, there have been no instances of refusals. The situation for journalists who regularly visit Prague and seek permanent accreditation, however, is different. Moreover, by withholding reregistration of local support staff the latter are reduced to little more than translators and office keepers, apparently with the aim of encouraging the agencies to send more resident correspondents to Prague and thus to gain greater control of their product.

(f) Cultural and Educational Co-operation

In this field the policy of bilateral relations apparently plays a major rôle, which goes beyond the implementation of the Final Act. Thus cultural co-operation with, e.g. the United States and the Federal Republic of Germany has deteriorated in the post-Afghanistan period, while cultural relations with other Western countries, e.g. the United Kingdom, remain good.

3. German Democratic Republic

(a) General

The general picture of the implementation record of the GDR shows no significant change with one notable exception: a noticeable increase in the solution of cases of family reunification and binational marriages. This increase is attributed to the approach of the Madrid Meeting.

(b) (i) Declaration of Principles: With regard to human rights and fundamental freedoms the generally tighter internal controls applied since early last year have not been changed. GDR authors and foreign journalists continue to act cautiously in face of the repressive moves introduced in 1979, although there has still been no confirmed case of the GDR bringing charges under the 1979 regulations. Some GDR intellectuals who had previously been critical of the régime have recently been given permission to move to the Federal Republic of Germany. The positive development of relations between the GDR authorities and the Evangelical Church has improved further.

(ii) Confidence Building Measures: No manoeuvres were notified, nor were observers exchanged.

(c) Economic Co-operation

No improvement has occurred in the general development of trade relations between the GDR and Western business within the framework of Basket II. On the contrary, the "Fourth Implementing Regulation", enacted during the period under review, is a particularly severe ordinance prohibiting private GDR citizens, as well as foreign firms from carrying out marketing research, advertising, organization of fairs and seminars, insurance and delivery of products to end-users. Henceforth, only the GDR's Chamber of Foreign Trade or special service organizations are authorized to conduct such activities, unless special exemption is granted.

It remains difficult to meet commercial officials of real influence and procedures for arranging such interviews consume much time and energy. Security regulations so limit access to end-users that often enterprise technicians and engineers remain ignorant of the latest Western technological developments. Western firms are only permitted to establish offices in the International Trade Centre and smaller businesses are required to engage a GDR "agent" to act on their behalf. Hotel accommodation is sufficient in Berlin but inadequate in Leipzig during the bi-annual trade fairs. A third hard currency hotel is planned for Berlin and the Hotel Merkur, scheduled to open next spring in Leipzig, is unlikely to change significantly the present shortage of vacancies. Resident foreign businessmen receive multiple entry visas valid for 12 months and a commercial identity card to facilitate the crossings between East and West Berlin.

Economic information is extremely fragmentary and incomplete. Reliable commercial statistics are usually gathered from non-GDR sources.

There have been somewhat disappointing remarks on East German initiative in fostering true economic co-operation with the West. The GDR is primarily concerned with acquiring advanced Western technology to boost efficiency and to conserve energy and raw materials in its industries. The East Germans have been insisting on buy-back and countertrade deals whereby costs incurred are off-set by sales of the products of those plants obtained on a turn-key basis, or of other similar GDR industrial goods. There has also been some interest expressed in participating with the West in projects in developing countries.

(d) Human Contacts

During the period under review there was a noticeable increase in the solution of humanitarian cases, such as family reunification and binational marriages. This remarkable development is generally attributed to the approach of the Madrid Meeting, although the American Ambassador was told by East German authorities "that this action should not be viewed as a one-shot operation, but that the GDR would continue to resolve cases in the future". With regard to travel there is no change. Tourism to Western countries remains practically non-existent, with the exception of pensioners visiting the Federal Republic of Germany.

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(e) Information

The overall picture shows no change. The restrictions on non-Communist newspapers and magazines and on the information activities of diplomatic missions are as severe as ever. The tighter control over foreign journalists introduced with the April 1979 regulations has continued to apply and has affected resident journalists from some Western countries, notably from the Federal Republic of Germany. Visiting journalists, less dependent on continuing contacts with local new sources, have not noted any appreciable change.

(f) Cultural and Educational Co-operation

From the reports received it appears that the main motivation of the GDR for this co-operation is to obtain benefits in the scientific-technical fields.

4. Hungary

(a) General

The overall performance of Hungary remains satisfactory. Within the East European context the Hungarian policy of implementation continues to be very liberal, although financial restrictions due to the economic situation somewhat reduce the possibilities of implementation, e.g. in the field of travel in general and in cultural and educational co-operation.

- (b) (i) Declaration of Principles: In the field of human rights and fundamental freedoms the policy remains relatively liberal. The most notable examples of dissidence during the reporting period were the letters sent to Prime Minister Kadar and other members of the government in October and December protesting the sentences given to the members of Charter 77. The government called in some of the signatories of these letters and temporarily limited the rights of some to publish and travel, but did not engage in a massive "pressure campaign".
- (ii) Confidence Building Measures: No manoeuvres were notified, nor were observers exchanged.

(c) Economic Co-operation

One development in the area of Basket II which could have favourable repercussions for the Western business community operating in Hungary is the 1st January decree transferring responsibility for foreign business interests from the

Foreign Ministry Diplomatic Service Directorate to an office in the Ministry of Finance. The latter was established to look after such administrative requirements as housing, office space, personnel, custom clearance etc., and so far, some favourable results are reported.

The Central European International Bank, established in Budapest on 1st January, is the first enterprise in Hungary with a majority of Western ownership (six West European and Japanese hold 66% ownership and the National Bank of Hungary the remaining 34%). In addition, the Banque Nationale de Paris, Dow Chemicals and National City Bank of Minneapolis have opened offices in Budapest during the reporting period and Montedison is due to commence operations in the near future.

Business contacts are generally satisfactory and some Western observers have remarked that access to end-users has recently improved. Among East European countries, Hungary poses the least inconvenience, although official entry permits to manufacturing enterprises must be obtained beforehand.

In the case of the two American companies, Dow Chemicals and National City Bank, permanent office space was found rather quickly, despite the fact that office accommodation is severely limited. A British firm under British management also established a representative office during this time. Businessmen have encountered problems with hotel reservations, as there is a genuine shortage of rooms. Hungarians are seeking to remedy this situation by constructing additional hotels. Visas are issued to foreign businessmen without difficulty and once in the country internal travel is unrestricted.

There is no reported change in the volume of available commercial and economic information which, at present, is comparatively good. Statistical information is reasonably comprehensive and can be supplemented through interviews with Hungarian officials connected with the pertinent Ministry or the National Bank.

The Hungarian Government continues to promote joint ventures and other forms of co-operation with Western firms. These arrangements vary from "buy-back" to more long-term co-operative relations between Western countries and Hungarian producers, whereby products are developed, manufactured and marketed jointly. Joint manufacturing enterprises have been set up in Hungary and abroad and the Hungarians have shown increasing interest in tendering with Western companies for projects in third countries.



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Two or three Hungarian located joint ventures with American companies are scheduled for the first half of 1980, thereby bringing the number of US-Hungarian co-operative arrangements to 73.

Hungary has expressed keen interest in scientific technological and environmental co-operation in the form of inter-governmental exchanges. Trade with non-Socialist countries accounts for slightly less than 50% of the total turnover and it is hoped that this figure can be maintained or increased in the future.

(d) Human Contacts

There was no substantial change during the period under review. Also in this field performance remains liberal for an East European country. The difficult economic situation and the government's austerity measures seemed at first to be making it more difficult for Hungarians to travel abroad but so far the effect appears to be rather limited.

(e) Information

The availability of Western newspapers and periodicals remains unchanged on an unsatisfactorily low level. Working conditions for journalists, on the other hand, remain very good. Access to local sources is very easy. There are no restrictions on journalists' freedom of movement, their ability to import technical equipment and film crews, or their ability to communicate with their parent organizations.

(f) Cultural and Educational Co-operation

Hungarian policy remains to stimulate cultural and education co-operation. However, as a consequence of the austerity programme the financial resources for this have been reduced.

5. Poland

(a) General

Although Poland's implementation record remained one of the more positive within Eastern Europe and the overall picture changed only slightly, it nevertheless took a turn for the worse in the field of human rights and fundamental freedoms. In other fields such as human contacts, the economic need for hard currency plays an important rôle in stimulating a liberal policy.

- (b) (i) Declaration of Principles: In the field of human rights and fundamental freedoms the situation took a modest turn for the worse. Harassment of dissidents has increased. In contrast to the last period of review, when two public demonstrations took place with no major harassment, a demonstration in Warsaw on 11th November was followed by the detention of four dissidents for periods of up to three months. Arrests under the rule which allows the police to detain a person for up to 48 hours without bringing charges have increased. This deterioration may be explained partly by an increase of dissident activity and changes in its nature, such as more overtly anti-Soviet and anti-Communist trends. In its response to several cases and manifestation of dissidence, however, the Polish Government showed itself relatively sensitive to its own public's pressure and Western opinion. Repressive action intensified against the so-called "Flying University", the series of private lectures on subjects not covered in the official university curriculum. Police and legal actions against lecturers, audiences and those who offered their apartments as sites for the lecturers, effectively closed down the "Flying University" at least in its erstwhile semi-public form, throughout Poland. A major exception was Krakov, where the functioning of the Flying University has been assured by the local authorities of the Roman Catholic Church. Issues bearing on religious freedom, such as Church-State relations in general, underwent little change during the period under review. Although the dialogue between Church and government kept its largely civil tone, all of the Church's demands relating to its pastoral missions, e.g. access to radio and television, expanded authorization for church construction and renovation, facilitation of religious instruction, remained unfulfilled.

- (ii) Confidence Building Measures: No manoeuvres were notified, nor were observers exchanged.

(c) Economic Co-operation

During the period under study, Polish implementation of Basket II provisions continued to be fairly good. Direct on-site contacts with end-users are becoming increasingly easier to arrange and access to officials is also facilitated. Two American firms, General Motors and Hooker Chemicals, received permission to open offices during the reporting period. Hotel and office space in most of the major cities remains in short supply and since April 1980 further increases in hotel prices have made costs extremely

high. Insufficient telephone installations hinder easy communication. There have been indications that the Polish Authorities wish to alter the status of some Western offices from "technical information offices" to "commercial offices" - a move which may have a bearing on taxation and the employment of local personnel.

Decree No. 23 implemented in September 1979 required foreign firms with offices in Poland to pay their Polish staff a monthly supplement of 50% of fixed wage minimums plus other allowances. The effect of this decree has been fairly marginal as many of the Western companies have been paying salaries well above minimum levels.

An invitation from an official Polish organization is necessary in order to be issued a business visa. In view of the more restrictive Polish import policy, such invitations are not always easy to obtain. Custom formalities at border controls are sometimes tedious and there are occasional complaints of the slow processing of visa applications. Internal business travel is unhampered.

Pressured by Western banks, Poland last year finally published data pertaining to its balance of payments and foreign debt as a pre-condition for receiving additional credits. This procedure was to be repeated in April 1980 and the information to be released to the Western press. In comparison with other East European countries, the volume, availability and regularity of Polish economic and commercial information is good, although the reliability of statistics is sometimes questionable. Though Polish efforts in this area are more forthcoming, the data is still not sufficiently varied or detailed to provide a thorough market analysis.

A law issued in February 1979 made joint Polish and Western companies possible, although to date none have yet been formed. A number of production and service enterprises based on Western investment and established according to the 1976 enabling provisions are estimated at around 50. Polish policy regarding economic and commercial co-operation has not changed discernibly, although future arrangements might well be influenced by the prevailing economic situation.

(d) Human Contacts

Poland appears to have greatly relaxed its strictures on travel to Western countries both for tourism and for family visits in recent years. There is ample evidence that Polish Authorities have come to regard such travel

as an important source of hard currency. Polish Authorities actively encourage travel to Poland by foreigners and especially (a quite unique feature) by members of Polonia, ethnic Poles of foreign or dual nationality residing outside Poland. The United States, in part because of the size of its Polish community, continues to have a large number of unresolved family reunification cases, which constitutes a significant bilateral issue, the severity of which has not decreased.

(e) Information

The availability of Western newspapers and periodicals remains minimal. One of the reasons for this is the chronic lack of hard currency. Working conditions for journalists are satisfactory. They obtain relatively easy access to sources of information.

(f) Cultural and Educational Co-operation

No changes have been reported. Poland still follows a restrictive passport policy with respect to a limited number of dissident intellectuals who have been invited to the US to teach or lecture.

6. Romania

(a) General

The Romanian record of implementation continues to be rather meagre. The attitude of the authorities towards implementation remains restrictive.

- (b) (i) Declaration of Principles: There have been no positive developments in Romanian policy vis-à-vis Principle VII. The Free Trades Union of Romanian Working Men (SLOMR) is now defunct and the dissident scene is quiet. No cases of brutality or of imprisonment of SLOMR figures have been reported during the period under review. However, the leaders of SLOMR and the dissident priest Father Calciu apparently remain in prison. The pro-atheism campaign of 1979 narrowed in November to a campaign against church-going by Communist Party members. The campaign seems now to have petered out. The situation of neo-protestant dissidents, however, continues to be particularly difficult, and new harassments and at least one arrest were reported during the period in question. Otherwise emigration remains a political tool for ridding the country of the most recalcitrant malcontents. On the other hand Romanian Authorities have demonstrated a genuine willingness to pursue a frank and constructive dialogue on human rights issues, e.g. with the United States in a round-table conference.

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(ii) Confidence Building Measures: No manoeuvres were notified, nor were observers exchanged.

(c) Economic Co-operation

The predominant trend observed during the period under study is the increasing percentage of countertrade require by the Romanians in concluding medium sized contracts with foreign firms. Overall, conditions for conducting business have experienced a slight improvement. The Romanian Chamber of Commerce made a useful contribution in publishing an index of addresses of State industrial enterprises and research institutes. In general, the quantity and quality of economic data is insufficient although the World Bank report entitled "Romania - Recent Economic Developments" is one of the most comprehensive sources available to date.

Western businessmen continue to encounter difficulties in trying to arrange on-site visits with end-users. Any such professional contacts are better arranged through the competent ministry rather than independently to avoid possible conflict with State security regulations. The bi-annual International Trade Fairs held in Bucharest and other exhibits and symposia have proved helpful in furthering contacts with Romanian end-users.

Working conditions have not actually improved and a more restrictive approach seems to have been adopted in the renewal of annual working permits of Western business representatives. The Romanian Government is apparently discouraging the practice of several Western firms with parallel interests from combining to establish one representative office in order to reduce expenses. This move is perhaps designed to increase the number of single representatives, thereby creating a greater inflow of hard currency or as a means of further controlling the amount of Western firms in Romania. In the future, only firms with legitimate common interests, country of origin and organization will be permitted to amalgamate in one office.

No change is reported in the availability of hotel and office accommodation. Discrimination is becoming more evident against Western firms in that rents, hotel rates and medical services can range upwards from five to ten times the equivalent paid by Romanian citizens. Telex installations appear to be sufficient at the moment.

Transit visas for up to three days and entry visas for up to three months are issued at minimal cost at Romanian border controls, although foreign visitors are obliged to change a fixed amount of US \$10 for each day of their stay. Business visas cost slightly more and despite an invitation from a Romanian foreign trade organization, businessmen are still not exempted from the mandatory exchange.

Countertrade is now becoming an important element in trade negotiations and a figure of 100% is usually required on contracts where the purchase is destined for Romanian domestic use. The Romanians have reduced this percentage in response to their needs for the product, the number of competitors and the particular nature of the negotiating foreign trade organization. In general this pre-condition must be considered seriously. The Romanians have also demonstrated continuing interest in co-operative dealings with third markets particularly in the development of natural resources.

(d) Human Contacts

The Romanian policy remains unchanged and basically negative towards Romanians leaving the country, either for family reunification, family visits or for travel. However, visits to Romania encounter no real difficulties. With regard to bi-national marriages a sustained improvement is reported by several delegations. The United States noted however, that the already very long waiting period for approval of such marriages appears on average to have increased significantly.

(e) Information

Western newspapers and periodicals remain unavailable to the general public.

Working conditions for journalists:

There are no serious difficulties with regard to entry visa, travel in the country, import of technical equipment, or communication with parent organizations. Access to local sources other than those enjoying the confidence of the authorities is still inhibited by Romanian law and by official intimidation of the citizens. Nevertheless some TV crews were able to film anywhere outdoors they liked without a permit, provided they did not photograph military installations etc., and, provided they had a common language or found willing interpreters, they seemed able to talk to "the man in the street".

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(f) Cultural and Educational Co-operation

No significant change has been notified. Cultural co-operation is generally encouraged, although the financial sources have been somewhat reduced. With regard to educational co-operation the attitude of the Ministry of Education continues to be unhelpful and obstructive. Following the Education Congress in February a new Higher Educational Council was appointed and a sub-committee is now considering how best to organize affairs in light of the recent new education law.

7. Soviet Union

(a) General

The Soviet implementation record during the period under review is adversely influenced to a great extent by two major developments: the first is the invasion in Afghanistan by which most of the principles contained in the Final Act were violated. The second development was as severe a crackdown on Soviet dissent as any which has taken place since the movement took shape in the late 1960s, an action in which the internal exile of Professor Sakharov drew the most attention in the Western world. The invasion of Afghanistan has led some Western countries to take a number of actions (e.g. the curtailment of contacts in the scientific and cultural fields) which have had a direct and adverse effect on implementation.

- (b) (i) Declaration of Principles: The Soviet invasion of Afghanistan meant a violation of most of the principles contained in the Final Act. Although Afghanistan is not one of the CSCE participating states, the post-amble of the Declaration reads as follows:

"The Participating States declare their intention to conduct their relations with all other states in the spirit of the principles contained in the present Declaration".

In the field of human rights and fundamental freedoms an extremely severe suppression of Soviet dissent was undertaken. The campaign appears aimed at eliminating the nerve centres of the movements, i.e. its most prominent and effective activists, such as Sakharov, Tatyana Velikanova and recently Lavut, and its most important institutions such as the Helsinki Monitoring Groups, the Chronicle of Current Events and the Solzhenitsyn Fund. The duration and scope of the repression appear to indicate that the ultimate goal

of the Soviet authorities is to crush that segment of the dissident movement which focusses on Soviet human rights violations. The desire to make a clean sweep before the Olympic Games undoubtedly plays an important rôle in this campaign (or at least its timing). Repression against religious believers also intensified. The Jewish emigration rate began to decline in November 1979 and has gradually dropped from over 4,000 per month to 2,000 at present (current figures). The period has also been notable for a continuation of the Soviet counter-attack against Western countries on human rights issues. The brunt of their attack is, as usual, that the basic (social) rights (to housing, work etc.) are guaranteed in the Soviet Union but not in the West and that in addition repression and discrimination are endemic in the capitalist world.

(ii) Confidence Building Measures: No manoeuvres were notified, nor were observers exchanged.

(c) Economic Co-operation

Despite certain tensions in Western economic and commercial relations with the Soviet Union in the aftermath of the Afghanistan invasion, the actual terms of conducting business have not necessarily worsened. Some Alliance countries have observed that the Soviets have adopted a "business as usual" attitude in an effort to separate official political policy and private economic interest. This tendency is really more the result of recent events and should not be mistaken for an overall long term improvement in implementation of Basket II provisions.

Business contacts with officials in foreign trade organizations are only possible with a prior invitation. It remains manifestly more difficult to meet functionaries in the technical ministries and virtually impossible to gain access to end-users during the entire process of contract negotiations. This problem of receiving prior invitations from foreign trade organizations is also linked with the obtaining of a visa for business purposes. It is extremely difficult to arrange such an invitation, unless the organization is keenly interested in a particular product and has seriously considered signing a contract with the manufacturer. Otherwise, simply arriving in Moscow



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to test the prevailing commercial atmosphere might prove unprofitable. Moreover, a foreign trade organization is the arbiter in obtaining and justifying the issuance of business visas for internal travel to other Soviet cities.

There has been very little progress in the number of firms who have received accreditation for opening representative offices. One Canadian firm, after having received permission, decided to forego the opportunity due to a company changeover. The American firm, Citicorp, terminated its operations in Moscow on account of insufficient business. The Belgian company Société Générale de Banque, which received accreditation in November 1978, has been prevented from commencing business because of the shortage of suitable office space. Accreditation is only valid for one year and must be renewed every 12 months, thereby introducing an element of uncertainty in the procedure.

Office rents were raised sharply with very little advance notice in an effort to create price uniformity with the current monthly rate of 26 roubles per square metre of office space in the new World Trade Centre. Hotel capacity has improved since the construction of several new hotels in preparation of the Olympic Games. However, hotel rates for businessmen are among the most expensive in the world, ranging from 60-70 roubles a night. The price includes the use of a chauffeur-driven car during the day for several hours, although the condition of reserving ahead often proves inconvenient. Telex: communications are not available to those businessmen who have established offices in hotel rooms. International telephone calls must be ordered at least one hour in advance. Resident businessmen, like diplomats and other foreign residents, are housed in foreign compounds, some of which are located up to 20 miles outside Moscow. The lack of sufficient permanent housing and office space has resulted in businessmen being lodged in hotels for months at a time.

It takes a foreign trade organization a minimum of 10 days to procure a business visa. Two American and one British bank have lately experienced rather long delays in having their multiple entry visas renewed. This process is usually accomplished within days and since other foreign companies have not encountered similar problems, it would appear that these three companies are subject to some form of discrimination.

There has been no progress in the publication of economic and commercial information. The greatest lack exists in specific statistics outside the usual standard categories. The most important sources remain: The Annual Economic Year Book, the quarterly reports of plan results available in the local press, "TASS - Economic and Commercial" which comments periodically on diverse economic developments, and the magazine "Foreign Trade" which releases towards the middle of the year the figures on Soviet external trade according to product and country for the proceeding year.

The Soviets have continued their practice of concluding agreements with the majority of Western countries for economic, technical and scientific co-operation. These accords, usually for 5 year periods, have been replaced by more longer term programmes which span from 10-20 years. The satisfaction of the following conditions are the usual criteria under which the USSR conducts economic and commercial co-operation - (a) access to Western technology, (b) favourable finance arrangements, (c) long-term stability to supply and/or market, and (d) possibilities of countertrade.

(d) Human Contacts

Soviet performance in this field continues to be disappointingly poor and grudging. The lists of humanitarian cases increase; only few are solved, often only after many months if not years. Even applicants for family visits are required to complete a lengthy and complicated application process in order to obtain exit permission. The process often requires many months or even years. General Soviet unwillingness to permit deathbed visits create great hardship. In some cases the applicants never receive permission. After Belgrade the number of Soviet citizens receiving exit permission for family visits increased steadily through September 1979. However, during the period under review the number seems to have levelled off. With regard to binational marriages the Soviet record since Belgrade remains mixed. The number of binational marriages has increased considerably in the past six months and in most cases the authorities have posed no obstacles. There continues to be a small number of problem cases, however, where significant delays occur. In addition, although precise figures are not available, there appears to be a growing tendency on the part of the Soviet

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authorities to delay or deny Soviet entry visas to fiancés of Soviet citizens, preventing them from meeting their scheduled marriage dates. For general travel purposes there has been no change in the average length of time needed by local nationals for completing all host government exit formalities, but there has been one change in the cost. The Soviet authorities raised the fee charged for authentication, e.g. of US documents for use in the USSR from 9 to 15 dollars. This represents an indirect increase in the fees for Soviet exit visas, because many local Soviet authorities require that letters of invitation be authenticated by the Soviet Embassy.

(e) Information

The non-availability of Western newspapers and periodicals continues. The few copies that were available before have diminished further because of the attacks in the Western press on the invasion of Afghanistan. With regard to the working conditions of journalists the reporting period is notable for the absence of any major incident except for visa problems, but working conditions remain extremely difficult.

(f) Cultural and Educational Co-operation

The co-operation in these fields has deteriorated as a consequence of the invasion of Afghanistan, which led a number of Western countries to curtailment of contacts in the scientific and cultural field. Another negatively influencing element was the series of defections by Soviet artists during trips in Western countries. The only positive feature has been a continuing improvement in the availability of Western books on sale in the Soviet centres, albeit at exorbitant high prices.