

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

NATO UNCLASSIFIED
and
PUBLIC DISCLOSED

EXEMPLAIRE N° 619
COPY

ORIGINAL: ENGLISH/FRENCH
23rd April, 1958

~~NATO SECRET~~
DOCUMENT
C-M(58)70

SITUATION IN EASTERN EUROPE

Report by the Committee of Political Advisers

PART I: GENERAL

Backed by Soviet strength, the Eastern European régimes of the Communist bloc have had some success in restoring party unity and popular submissiveness, though they have by no means eliminated the forces which underlay the unrest of 1956. Poland is a special case in which the situation has in the main been stabilised without major sacrifice on the part of the régime of the gains it achieved in 1956, in respect of either internal or external matters.

2. There has been evidence of factionalism even within the ruling Communist parties and of the persistence of popular discontent. These discontented elements, however, are relatively quiet at present. The Soviet repression of the Hungarian uprising continues to have a restraining effect on the Eastern European peoples. Conversely, it has encouraged particularly the more orthodox régimes to remain unyielding towards demands for change. Recent Soviet technological successes have probably further lifted the régimes' confidence and depressed opposition elements. In fact, most régimes have of late been pursuing a harsher policy towards internal opponents through increased arrests, trials, and imposition of severe penalties.

3. During and since the November meeting of all Communist bloc parties, Moscow has stepped up efforts to tighten international Communist ties. Mao Tse-Tung's unequivocal endorsement of the leading rôle of the Soviet Union greatly helped these efforts. The announcement that an international Communist theoretical journal would be issued in Prague followed in March.

4. Moscow clearly prefers as instruments of its policy ultra orthodox and unwaveringly loyal leaders such as Ulbricht and Novotny. But such an "independent" as Gomulka is also supported, though with less enthusiasm, when there is no feasible alternative.

5. An element of discord has been mitigated by Gomulka's restraints on the expression of anti-Soviet and anti-Communist

~~NATO SECRET~~

sentiments, and by recent measures bringing Poland's internal and external policy somewhat closer to that of the rest of the bloc. The Soviet Union, for its part, appears to have moved further towards accepting Poland's unique position within the bloc. Nevertheless the consolidation of the Gomulka régime may present Moscow in the future with serious policy problems in Eastern Europe.

6. Despite the present appearance of stability, Moscow and the orthodox satellites have continued to show concern over the danger of "revisionism". Although Gomulka signed the twelve Party Declaration, which contained a reference to Soviet leadership of the socialist camp, he has continued to oppose developments which might threaten Poland's semi-independent position. For example, the Poles appear (like the Yugoslavs) to have been reluctant to participate in the project for an international communist journal in which they would inevitably face a heavy weight of Soviet and bloc influence.

7. Variations within the bloc have for the most part not affected relations with the non-Communist world. Only Poland has deviated somewhat from this pattern, first by seeking United States economic assistance, and more recently by promoting the Rapacki Plan calling for the creation of an atom-free zone in Central Europe. While the plan echoes earlier Soviet proposals, forwards Soviet objectives, and has received Soviet endorsement, in advancing it the Polish Government may well have been motivated, in part at least, by strictly Polish interests.

8. Yugoslavia does not appear to be abandoning its traditional policy of non-alignment and independence. In recent months it has given increased support to the general line of Soviet foreign policy, although in the same period Soviet-Yugoslav party and ideological relations cooled, culminating in April in the refusal of Soviet and Satellite delegations to attend the Yugoslav Party Congress. Moscow has thus sharply demonstrated the ideological isolation of Yugoslavia.

9. In general, the USSR seems reasonably confident regarding the situation in Eastern Europe. The USSR, in pursuing vis-à-vis the West its active initiatives in the field of foreign policy, seeks inter alia to strengthen its position there and to secure at least implicit recognition of the status quo. These motives are in part responsible for the apparent Soviet interest in securing representation of one or more of the Satellites at a possible Summit Conference. They also determine the Soviet refusal to admit any discussion which might call in question the system set up in Eastern Europe.

10. The economic difficulties arising from the Hungarian and Polish events of 1956, though not eliminated, have been

alleviated thanks in part to substantial aid from the Soviet Union thereby modifying its earlier policy of economic exploitation. Industrial output appears to have somewhat exceeded the generally cautious targets of the national plans. In 1957, good crops were harvested everywhere except in East Germany and Czechoslovakia.

11. The good harvests, the greater emphasis on production and imports of consumers' goods, as well as increases in peasant and worker income, have led to improvements in living standards. These have been accompanied by some increase in inflationary pressures, and current economic measures suggest that satellite governments are making efforts to deal with this by curbing the rise in incomes, and by increasing productivity and the supply of consumer goods.

12. There has been an increase in pressure for the collectivisation of agriculture in the majority of Satellites, Poland being the main exception to this trend. The collectively farmed area has risen substantially in Czechoslovakia, Albania and Rumania. Agricultural incomes have increased as a result of higher prices paid by the State and a reduction in compulsory deliveries in certain Satellites.

13. For various reasons, long-term planning is in a state of flux in the Satellites as well as in Russia, and the five year plans announced in 1956 have all been scrapped or modified. As a result, the attempt to co-ordinate long-term plans in the bloc as a whole has been suspended for the time being. Co-ordination of production in the various countries is being handled by more piecemeal methods, and increasing use has been made of long-term bilateral trade agreements. There are however indications that a renewed attempt will be made to achieve multilateral co-ordination of the economies of the Soviet bloc.

PART II: COUNTRY BY COUNTRY STUDIES

POLAND

14. The Gomulka régime has to some extent consolidated its position. It has done so despite growing disillusionment, especially among the urban population and the intellectuals, and despite inadequate improvement in economic conditions. The régime has retained that part of its popular support which rests on the general realisation that the only alternative to Gomulka's rule would be a repressive government fully subservient to the USSR. To achieve the present degree of stability, the régime needed not only internal consolidation but also acquiescence by the USSR. The imposition of internal curbs and professions of loyalty to the Soviet bloc have served to reassure the USSR.

15. Although freedom of expression in Poland remains considerably greater than in any other Communist country, the process of liberalisation has been checked by measures affecting workers' councils and the right to strike, as well as publications, travel to the West, and Party control of youth organizations.

16. A major cause of discontent has been the inadequacy of the improvement in the standard of living, except for the peasantry. A bountiful 1957 harvest improved the situation for the consumer and the régime has been assisted, in addition to Soviet aid, by a further \$98 million worth from the US. However, the foreign exchange situation remains strained; exports of coal have been adversely affected by the inability to raise production and by lower coal prices in Europe. Thus the prospects for a significant rise in living standards this year appear slender. The programme of economic austerity introduced at the Eleventh Plenum in March is likely to increase further the dissatisfaction of workers.

17. The Party "verification campaign" in progress since last October has resulted in the expulsion or resignation of some apathetic and corrupt members, but has only to a limited extent reduced the Stalinist and "revisionist" elements. The recent removal, however, of two "Stalinists" from the Central Committee is a step in the assertion of Gomulka's authority.

18. The attitude of the Roman Catholic Church continues to have an important bearing on Gomulka's standing in the country at large. Though the truce between the church and the régime has not been broken, active support of the kind received from the Church at the time of the national elections in January 1957 could probably only be expected in a period of crisis.

19. From the Soviet point of view the Polish situation continues to present many unwelcome elements: e.g. abandonment of collectivisation in agriculture as a practical goal, permission for a limited revival of private enterprise in trade and crafts, the régime's partial accommodation with the Church, admission of increased private contacts with the West, US economic assistance, and a relative freedom of expression.

20. Nevertheless the continued existence of the spirit of resistance on the part of the Polish population and of certain elements of the Party partly explains the tolerant attitude of the USSR to the régime. By doing anything to encourage a reversion to the past the USSR would be running the risk of serious disorders in Poland and also of a further threat to the stability of the "Socialist Camp". For his part, Gomulka, while maintaining the doctrine of the "Polish line" - as reflected in certain passages of the declaration signed by the twelve communist parties in Moscow in November 1957 - is doing nothing to call in question the adherence of Poland to the "Socialist Camp".

21. The field of international politics offers a typical example of the complicated relationship established, as a result of the pragmatic methods favoured by Khrushchev and Gomulka, between the two countries. Although the presentation of the "Rapacki Plan" by the Warsaw Government was certainly made with the approval of the USSR, Poland obviously had a special interest in taking the initiative for this move. It provided the Polish Government with a means of strengthening its internal position, by playing on the fear of Germany and of nuclear weapons. It is also conceivable that perhaps in the long-term view certain Polish sectors discern in the Rapacki Plan the possibility of achieving some form of international control which would diminish the threat of Soviet military pressure to which Poland continues to be exposed. For its part, the Soviet Government could obviously use the Polish move as further propaganda material in support of its thesis on disarmament and East-West negotiations.

22. The two countries are thus accepting the continuation of a modus vivendi which could presumably only be disrupted by disorders in Poland itself or by a fresh crisis in the Communist world.

THE SOVIET OCCUPIED ZONE OF GERMANY

23. In the Soviet Occupied Zone of Germany the régime continues, with Soviet help, to maintain tight control over a hostile population. The revised passport regulations put into force on 11th December, 1957, are intended to prevent the population from moving to the West. The severe penalties stipulated by these regulations has caused a drop in the number of refugees coming to the West, although many continue to do so. The Kremlin has consistently supported the Stalinist régime of Ulbricht and regards the presence of substantial Soviet forces as essential for the pursuance of its strategic and political aims.

24. The Ulbricht régime over the past six months has had to cope with a greater array of difficulties than any of the other Satellites. In February 1958 the Party purged several of its ranking leaders, who, fearing popular unrest, had advocated more flexible methods of government. The Party has tightened political control throughout the government machine, the universities and the army.

25. On the economic front, the régime carried through early in October 1957 a currency exchange and reform programme in order to curb a strong inflationary trend. The régime also instituted measures to increase work norms and to improve efficiency by decentralisation of economic management.

26. With Soviet assistance the Pankow régime has continued its efforts to gain more prestige in the international field.

On 15th October, 1957, it was granted recognition by Yugoslavia. Subsequently the Soviet Union intensified its propaganda presenting the "DDR" as a sovereign state and took a number of steps designed to oblige the Western powers to deal directly with the Pankow authorities over visa and transport matters.

27. Within the Soviet bloc, Pankow has increased its activities by interchanges of delegations with other bloc states in military, economic, cultural and political fields. It took a leading part, along with the Soviet and the Czechoslovak Communist Party, in bringing about the re-establishment of an international Communist journal.

CZECHOSLOVAKIA

28. Czechoslovakia continues to be the most stable of the Satellites, and perhaps the most trusted by the USSR. This is because the leadership is efficient as well as strict, the population relatively docile, and the standard of living higher than elsewhere in the bloc.

29. The election of Party leader Novotny to the Czechoslovak Presidency in November 1957 has concentrated even more power in the hands of a man entirely subservient to Moscow. Intimidation of the population continues, with arrests of groups and individuals accused of spying for the West. While there is evidence that dissatisfaction with the régime remains strong, especially among intellectuals, students and youth, and while separatist sentiment persists in Slovakia, these discontents do not currently present a serious problem for the régime.

30. Czechoslovakia has been the only Satellite that has not received any of the large-scale economic assistance extended by the USSR since 1956. The economy remains fairly stable, although industry continues to suffer from some shortage of power and raw materials. In an attempt to improve efficiency, economic re-organization is currently under way. The drastic reduction in the bureaucracy accompanying this re-organization has aroused widespread feelings of insecurity. In agriculture, a vigorous collectivisation drive raised the proportion of total land held by co-operatives from 30 to 57% during 1957.

HUNGARY

31. The Soviet-installed régime has further consolidated its position in both the political and economic fields, but has gained little, if any, popular support. The régime is endeavouring to create an appearance of legality. Nevertheless, it has been ruthless in the prosecution of suspected opponents and controls have been strengthened to the point where no threat of overt defiance exists. Most concessions obtained during and

immediately after the 1956 rising have been withdrawn but some, particularly in the economic and agricultural fields, remain. The limited withdrawal of Soviet troops will not weaken Soviet military domination of the country.

32. The régime continues to condemn "revisionism" as exemplified by Imre Nagy, and "sectarianism" of the Rakosi type. Preoccupied also with efforts to discredit the 1956 uprising, it abolished during 1957 the last vestiges of the workers' councils, introduced during the revolt. In January 1958, Kadar relinquished the premiership to Munnich avowedly to devote his main efforts to Party problems. Concerted pressure by the régime using both threats and promises has failed to revitalise intellectual life, and many of the nation's leading literary figures are in prison. Krushchev, during his recent visit to Hungary, was unfavourably impressed by the continued strong popular opposition to Kadar. Nevertheless, he came out strongly in support of Kadar and condemned the local "Stalinists", reviving the argument that the uprising was in part due to the excesses of Rakosi.

33. Progress has been made in overcoming the economic consequences of the revolution, although the rate of advance has slowed down considerably following initial successes. Large scale imports and a favourable harvest permitted the régime to keep inflationary pressures under control and to maintain a relatively favourable standard of living. It appears that ideological considerations will play an increasingly important rôle in economic policy. Although much of the 1957 economic improvement was due to the efforts of the private sector in agriculture and small scale industry, a number of restrictive measures were introduced early in 1958 against this sector.

RUMANIA

34. The Rumanian rulers have demonstrated that the cornerstone of their domestic and foreign policies is their loyalty to the Soviet Union. They remain uncompromising towards "bourgeois ideology", but have shown a certain willingness to use less orthodox measures in coping with economic difficulties, among them the abolition of the compulsory delivery quotas in agriculture. The principal difficulties faced by the régime in the past few months have taken the form of peasant opposition to forced collectivisation and wide-scale abuses and embezzlement in the state and co-operative economic sectors.

35. In the field of foreign affairs, Rumania has pressed for expansion of trade and cultural relations with the West, particularly with the United States and France. It has sought to keep alive the idea put forward in September 1957 of convening a conference to form a Balkan entente, and it has made an effort to maintain good relations with Yugoslavia. It has also stepped

up efforts to increase its contacts with the underdeveloped countries, by visits of high-level delegations and some offers of credits.

36. Living conditions have improved somewhat, largely because of a record grain crop in 1957 and increased production and imports of consumer goods. The régime achieved its objective of 50% socialisation of the agricultural land, but at the cost of considerable ill-will in the grain belt of Eastern Rumania.

BULGARIA

37. Former Stalinist leader Chervenkov, now deputy premier and still a Politburo member, re-emerged in October from semi-retirement. The position of Party First Secretary Zhivkov and Premier Yugov appears unshaken.

38. The régime continued the firmer line toward dissident writers initiated in mid-October. It also took measures against juvenile delinquency, which had reached alarming proportions in Sofia. There was a wave of arrests, some death sentences, and a severe anti-"hooligan" law.

39. Along with these repressive measures, the régime has continued a policy of giving greater satisfaction to the consumer, who had been much neglected in the past. The good 1957 harvest and the increased attention to light industry in the 1958 budget indicate that the slow improvement in consumer welfare may continue. Unemployment, however, remains a serious problem, and collectivisation continues to cause peasant discontent.

40. In foreign policy the régime did not follow up previous indirect approaches to the United States on resumption of diplomatic relations. A deadlock over reparation claims dating back to World War II still blocks the re-establishment of full diplomatic relations with Greece. Relations with Yugoslavia are correct but there is some indication of renewed friction over the treatment of Macedonians in Bulgaria.

ALBANIA

41. The situation here appears stable. Although an eventual open struggle for power between Party First Secretary Hoxha and Premier Shehu cannot be ruled out, they appear at present to work harmoniously together. These leaders, conscious of Albania's geographic isolation from the other bloc countries, suspicious of their neighbours, and distrustful of their own people, are continuing to employ oppressive methods of rule. They continue in unswerving loyalty to the Kremlin, without whose political and economic support the Tirana régime could not last.

42. Albania-Yugoslav relations have further deteriorated since the publication last September of Hoxha's charges against Yugoslavia; with respect to Greece and Turkey, the Albanian régime has intensified in recent months its efforts to establish diplomatic relations.

43. Although economic conditions in Albania are still very depressed, there have been some recent signs of improvement, in living standards. Last November the Government was able to eliminate rationing and to expand the original goals of the economic plan for 1958-60. The rapid pace of collectivization of agriculture was facilitated by increased shipments of tractors and other agricultural machinery from the Soviet Union.

YUGOSLAVIA'S RELATIONS WITH THE SOVIET BLOC

44. In recent months Yugoslavia, though not abandoning its traditional policy of non-alignment and independence, has given increased support to the general line of Soviet foreign policy. In the same period Soviet-Yugoslav Party and ideological relations have been cool. After the dismissal of Zhukov on his return from Belgrade, Tito decided not to go to Moscow, Kardelj and Rankovic, who went in his place, refused to sign the Twelve-Party Declaration. This attitude, which was officially approved by the Central Committee, was indicative of a deterioration in Soviet-Yugoslav relations.

45. It has since then maintained its intransigence in doctrinal matters, as has recently been exemplified by the Party's draft programme drawn up for its coming Congress. This draft categorically repeats the theses upheld by Belgrade, and in particular the one to the effect that there are many roads leading to the constitution of socialism, and is a reminder that the Yugoslav Party is refusing to recognise the primacy of the USSR in the ideological and political field.

46. The agreement to avoid public disputes, which Khrushchev and Tito apparently reached in Rumania in the summer of 1957, was in the main respected until April 1958 when "Kommunist" attacked the theses for the Yugoslav Party Congress. These theses were apparently modified in respect of international questions to meet Soviet criticisms. The refusal, nevertheless, of the Soviet and Satellite delegations to attend the Congress shows the extent of the ideological differences which remain.

47. The difficulties with the Soviet bloc of last November have not been exploited by Belgrade as they might have been for the purposes of a rapprochement with the West.

Gestures which were hostile to the West, or at least ambiguous, have been increasingly apparent. Tito has seen fit to support the views of the Kremlin on the major themes of international policy - disarmament, European security, the German problem and latterly the summit conference.

48. Tito has failed to receive much support in his manoeuvres to become a key figure in relations between East and West and to take part in a possible Summit conference. He has been attempting to re-establish the close relations which he formerly had with such personalities as Nehru and Sukarno.

(Signed) A. CASARDI
Chairman.

Palais de Chaillot,
Paris, XVIe.