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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 Eleventh Report of the Council in Permanent Session on the implementation of the Final Act.

2. This report is a follow-up to the Tenth Report prepared in June 1980(1) and covers the period 1st May 1980 to 1st October 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.

(Signed) Joseph M.A.H. LUNS

NATO,
1110 Brussels.

This document includes: 1 Annex

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IMPLEMENTATION OF THE FINAL ACT OF THE CSCE

Eleventh Report by the Political Committee
(1st May 1980 - 1st October 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 eleventh such report and covers the period from 1st May until 1st October, 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

3. During the period under review the record of implementation of the principles and provisions of the Final Act of the East European countries showed no significant changes, with the exception of the Soviet Union and Poland, where two major events played an important rôle.

In the Soviet Union increased internal security restrictions and increased repression of dissidents took place - partly in connection with the Olympic Games.

In Poland the workers strikes and related developments had a major influence on implementation by, for example, leading to an immediate improvement in the quantity and factual accuracy of public information. The same event led the Soviet Union to recommence jamming various Western radio stations.

During the period under review, some steps were noted which could be seen in relationship to the Madrid Meeting. However, the very large increase in the compulsory exchange requirements for visitors from all "non-socialist" countries to the GDR announced on 9th October 1980 represents a considerable setback in the field of human contacts.

4. Thus the trend of diversification has continued. In particular, the gap in implementation between, on the one hand, Hungary and Poland whose policies are comparatively liberal and

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

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whose records are in general satisfactory, and the other East European countries on the other hand seems to have grown.

Meanwhile, implementation in the Soviet Union has deteriorated and the Soviet record remains the least satisfactory.

Declaration of Principles

5. There has been no apparent weakening of Soviet resolve in Afghanistan, where the Soviet Union is continuing its efforts to subjugate the country by force.

6. In the field of human rights and fundamental freedoms active repression of dissidents continued in the Soviet Union and Czechoslovakia.

In the Soviet Union increased expulsion continued in the period leading up to and extending beyond the Olympics. A number of Soviet dissidents were put on trial and received sentences of five to seven years at hard labour and five years internal exile. Several dissidents were expelled from the country, including four dissident feminists.

The trials were accompanied by Soviet articles containing attacks against the West on human rights and criticism of the activities of Soviet dissidents abroad.

New trials against Soviet dissidents were opened in October, at the same time as the CSCE Preparatory Meeting was going on in Madrid.

In Czechoslovakia, the government continued to pursue its objective of reducing the level of dissidence. Several dissidents are awaiting trial. Others have been harassed and threatened to the point that they preferred exile, despite the very real threat of loss of citizenship. Coinciding with the opening of the Preparatory Meeting in Madrid, thirteen prominent signatories of Charter 77 were detained for periods up to 48 hours in connection with a letter they were planning to send to President Husak on Czechoslovakia's human rights record.

In the GDR, Bulgaria and Romania, internal security regulations remained very restrictive.

The situation in Poland and Hungary is comparatively liberal. In Poland, a number of dissidents were arrested during the workers strike, but released at the request of the strike leaders.

In Hungary, action against dissidents who wanted to go to Poland to support the strikers was limited to confiscation of their passports.

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Confidence Building Measures

7. During the period under review, two major military manoeuvres involving more than 25,000 troops were notified.

The Soviet Union notified a Soviet military manoeuvre involving ±30,000 troops that took place in the GDR from 10th-16th July. The GDR notified the Warsaw Pact manoeuvre "Brotherhood in Arms 80" involving ±40,000 troops that took place in the GDR in September. However, the content of both notifications was poor. Both contained only vague indications of the area involved and of participating units. Moreover, the notification of "Brotherhood in Arms" did not even specify the exact period during which the manoeuvre was scheduled to take place. No observers were invited to either manoeuvre.

A joint Hungarian-Soviet military manoeuvre involving 18,000 troops that took place from 25rd-30th August in Hungary was orally notified by Hungary 24 hours in advance.

Co-operation in the Field of Economics, of Sciences and Technology and of the Environment

8. The major developments in the implementation of the chapter on Economic Co-operation over the period 15th April to 15th September 1980 have been the enactment of administrative and legislative measures impinging on foreign trade. Bulgaria and Czechoslovakia have issued specific decrees, which, in the case of the former, legalize mixed Bulgarian and foreign companies and, for the latter, consolidate all existing laws and regulations governing foreign trade into one single piece of legislation. Moreover, the import and export of certain goods in or out of Czechoslovakia is strictly controlled and the amount of allowable duty-free imports reduced as well. Bulgaria, the German Democratic Republic and Czechoslovakia have accorded a greater measure of independence to enterprises in their foreign trade dealings. In Bulgaria and the GDR, industrial enterprises may have more flexibility in executing a certain contract, but the actual negotiations and terms remain within the competence of the foreign trade organizations. Only in Czechoslovakia, can this responsibility be delegated to the enterprises for the sake of expediency and in the interests of the national economy.

The recent events in Poland have rapidly altered the country's economic configuration. It remains to be seen whether the pressure of workers' demands will exert an influence on future implementation in the field of economic co-operation.

Hungary, Bulgaria and Romania continue to demonstrate keen interest in co-operative deals with Western business interests. Countertrade is a growing exigency, but the nature of such joint ventures has become more varied and sophisticated. Mixed companies

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can be established in either the partners' or a third country. Schemes are developed to produce and market a product jointly at home or abroad. The Third World is becoming a greater market for such goods in exchange for their raw materials since supplies from the Soviet Union may be limited in the future.

The availability of economic and commercial information remains unsatisfactory in the USSR, Czechoslovakia, the GDR and Bulgaria. Among Poland, Romania and Hungary, the three countries having the greatest foreign trade involvement, Hungary leads the way in providing accurate and analytical statistics. The GDR and Czechoslovakia have become more oriented toward economic integration within CMEA. Both countries are participating to a greater extent in long-term programmes of producing specialization and co-operation with the USSR and Eastern Europe.

Human Contacts

9. During the period under review no significant increases in the resolution of humanitarian cases were reported, with the exception of Poland, which gave exit permission to 543 individuals wishing to emigrate to the United States.

In general, it remained very difficult for citizens of the Soviet Union, Czechoslovakia, Bulgaria and the GDR to obtain exit visas for family visits or touristic travel purposes.

In most countries, application for exit permission for family reunification led in general to a positive result, though only after a long (one or two years), complicated and often unpredictable procedure. However, the German Democratic Republic and Czechoslovakia have continued their efforts to resolve divided family cases with the United States expeditiously.

With the exception of Poland and Hungary, applicants for family reunification suffer from harassment, discrimination at work and school. In a number of cases they lose their jobs. However, in most countries, this sort of harassment takes place at the level of local authorities and is no longer a policy.

In the field of travel, tourism from the West to Eastern Europe is generally encouraged, while possibilities for East European citizens to visit Western countries are very restricted in most countries.

Despite Eastern countries having a certain interest in tourism from the West for financial reasons recent events in Poland appear to have raised the barriers against tourism from the West in the case of the GDR by the introduction of large increases in the compulsory exchange requirements for visitors from non-socialist countries to the GDR.

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Nevertheless, the statistics of the last five years show a steady increase in the percentage of tourist visits to Western countries for most East European countries.

Again, in this field the most liberal countries are Poland and Hungary, with the latter showing a remarkable increase of 20% in Hungarian tourists visiting Western countries. As a result it is estimated that in 1980, more than 500,000 Hungarians will visit Western countries.

Information

10. The availability of Western newspapers and periodicals remained unchanged at a very low level in all East European countries. No real improvement has been seen in this field since the signing of the Final Act.

During and since the strikes in Poland there was a remarkable improvement in the quantity and accuracy of information appearing in the Polish mass media, including the press. Moreover, the Catholic Church has gained access to Polish radio. During the same period in the Soviet Union, however, the jamming of Russian language services of the BBC, Deutsche Welle and of Voice of America transmissions in Russian. Ukranian, Armenian, Uzbek, the Baltic languages and Georgian recommended. Jamming of radio services continued also in Bulgaria and Czechoslovakia.

The working conditions for journalists remain very difficult in the Soviet Union, Czechoslovakia and the GDR.

In Bulgaria and Romania, official treatment is in general satisfactory but also in these countries it is virtually impossible to get any other than official information.

In Hungary and Poland, conditions remain good. In Poland during the strikes, 300 foreign journalists visited the strike area.

On 30th September, the GDR abandoned its requirement that foreign embassies submit press releases and information materials to the Foreign Ministry for approval 72 hours before release. It is likely the GDR took this step with an eye to Madrid.

Co-operation in the Cultural and Educational Field

Cultural exchanges with the Soviet Union have remained largely dormant as a consequence of the invasion of Afghanistan. Cultural and educational co-operation with the other countries developed in general more or less satisfactorily.

However, the authorities of several countries, in particular of the GDR and Bulgaria, keep a strict control over exchange programmes in the framework of educational co-operation and those who are allowed to participate in them.

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During the period under review, no significant changes were noted in the Bulgarian implementation record, which remained meagre.

The Bulgarian leaders frequently support the Final Act in their public speeches, but this has no real effect on the implementation performance. Bulgarian policy remains very restrictive and the principles and provisions of the Final Act are only implemented if and to the extent that they coincide with the perceived national interest.

(b) (i) Principles

No specific developments with regard to the declaration of principles has been reported. In the field of human rights and fundamental freedoms, the situation remained unchanged.

No specific dissident activities, and, therefore, no repression of such activities were noted. The government and the Party considerably restrain freedom of speech and of the press, and the right to assemble. Citizens' complaints are only tolerated on a variety of minor ills, but not if they are directed against official personalities or the socialist system.

Religious services may be organized, but fund-raising, dissemination of religious publications and religious education are strictly circumscribed.

(ii) Confidence Building Measures

No manoeuvres were notified nor did Bulgaria exchange any observers.

(c) Economic Co-operation

During the present reporting period, Bulgaria has shown increasing interest in promoting trade with Western industrialized nations. The most notable development in this trend was Decree No. 535, enacted on 25th March 1980, which has legalised mixed companies in which the amount of

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foreign equity invested may exceed 50%. This legislation provides for profit sharing, capital repatriation and company dissolution, although Bulgarian control is maintained through stipulating that the Chairmen of the Management Board and Board of Directors be Bulgarian nationals. Furthermore, decision must be made with the consent of all partners concerned. The scope of the legislation envisages joint companies operating in Bulgaria (where there is a prohibition on the ownership of real property), in the home countries of the foreign partners, or in Third countries.

The "New Economic Mechanism", a reform implemented in 1979 and originally involving agriculture only, has since been extended to all economic sectors including foreign trade. A measure of greater independence has been accorded the economic enterprises which decide the means of production, leaving the foreign trade organizations to compile the basic contractual provisions. It is yet too early, however, to assess the effect of this reform on commercial relations.

It remains virtually impossible to arrange contacts with end-users, especially for new Western firms trying to enter the Bulgarian market. Participation at trade fairs and symposia affords some opportunity in this respect. Generally, dealings are limited to foreign trade organizations and only firms who have already developed good working relations gain access to senior government officials.

During the period under review, no new openings of Western business offices have been reported. The State Representative Agency, INTERPRED, after some delay usually secures satisfactory centrally-located office space, although the already high costs charged for rents have been further raised. Hotel accommodation has improved through the construction of three new luxury hotels. After a considerable waiting period, the permanently resident business population have found adequate housing, which despite the high rents, is still below Western standards.

The Visa Procedures Agreement of 30th March 1979 facilitated the issuance of visas. Resident businessmen receive one year multiple entry visas without much problem; but for frequent business visitors, the six month multiple entry visa is more difficult to obtain. Business travel within the country is free except for border areas.

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The publication and distribution of commercial information is tardy and unsatisfactory. The three main available sources of data are: the Statistics Annual, appearing on 1st October, the pocket book version appearing on 1st April, and the publication Foreign Trade appearing on 1st August. The Statistics Annual 1979, covering the previous year, appeared in smaller circulation and with the figures on oil imports omitted. Reports on plan fulfilment and details on future plans are published only in extracts. In the practical sense - address books and lists of suppliers are incomplete, import enquiries often go unanswered, and project tenders are not advertised.

As was previously stated, the Bulgarians are demonstrating increased activity in attracting new forms of joint ventures; but the requirements for counter-trade have also become greater. Bulgarian interest is focussed on co-operation in science and technology with an aim to obtaining Western applied research and technology. The following recent developments are worth noting: two German chemical firms will shortly send representatives to Bulgaria and this year the US companies Pizza Hut and Gates Rubber Company concluded licensing agreements. In November 1979 Occidental Petroleum signed a ten-year co-operation agreement with Bulgaria to assist in developing Bulgaria's on and off-shore petroleum resources. Western firms frequently lose interest, however, as too little reciprocity is forthcoming from the Bulgarian side.

(d) Human Contacts

With regard to family visits and family reunification, the negative trend noted in the last report after some progress in 1979 has continued, with some exceptions. Many commitments made in 1979 remained unfulfilled.

The Bulgarian authorities take four to six weeks to process applications for exit visas for family visits of Bulgarian citizens to Western countries.

With regard to applications for family reunification, recurring reports of harassment, apparently designed to intimidate potential passport applicants, have been received.

The number of Bulgarian tourists to Western countries has increased but the total number remains rather negligible. (1,500 to the United States; 1,200 to the Federal Republic of Germany).

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Obtaining an exit visa remains a special privilege for a select group of individuals. It should be noted, moreover, that in consultations on the preparation for the Madrid Meeting the Bulgarian authorities, in strong words, expressed their view that these humanitarian aspects could and should not be discussed in Madrid.

(e) Information

Also in the field of information, official policy remains very restrictive. Practically no Western newspapers are available to the public. (According to the Newsweek agent, the government imports 80 copies for internal distribution).

The decree of August 1978 requiring a prior review of information materials distributed by diplomatic missions remained in effect but enforcement has been very lax in the past six months.

Radio transmissions in foreign languages can be received reasonably well in Bulgaria. However, the Bulgarian transmissions of, for example, Die Deutsche Welle and Radio Free Europe are being jammed. This is not the case with the Bulgarian broadcasts of the BBC or of the Voice of America.

The treatment of journalists is technically speaking rather good given the nature of the bureaucracy. Visas are issued promptly and the Foreign Ministry and Sofia Press are reasonably diligent in arranging appointments and interviews. It is however, practically impossible to get any other information than official views. There are no resident Western correspondents in Bulgaria and visits by Western journalists are infrequent.

(f) Cultural and Educational Co-operation

Bulgaria has a rather active external cultural policy. A significant number of English titles are available both in the original and in translation. Most of the original titles are published in Moscow. (An American book recently published in Bulgaria is "Baby and Child Care" by Benjamin Spock).

The Annual Bookfair in September allows Bulgarians to examine foreign books which, if authorized, they may order through a state agency.

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The authorities continue to discourage citizen access to the American library in Sofia in spite of a specific clause to the contrary in the bilateral cultural agreement between the two countries.

Educational exchange programmes are generally satisfactory, although hampered occasionally by bureaucratic delay and inefficiency.

2. Czechoslovakia(a) General

In general, the record of implementation of the Final Act by Czechoslovakia shows no change compared to the previous reporting period.

The government continues to pursue its objectives of reducing the level of dissidence.

Improvement in the field of human contacts is sustained, although the application for an exit visa remains difficult and time-consuming.

No more mention is made of an eventual positive influence of the coming Follow-up Meeting at Madrid on implementation policy.

(b) (i) Principles

The authorities continue to give a great deal of importance to those principles which they feel shield them from international scrutiny or criticism, in particular principle VI on non-intervention in internal affairs.

Principle VIII on self-determination is upheld in general, but the discussion of the Afghanistan invasion has caused the authorities to re-emphasize that they consider the furtherance of the world Communist revolution to be a higher principle.

With regard to principle VII, the government continues to pursue its objective of reducing the level of dissidence.

Rudolf Battěk, the Charter spokesman and VONS leader who emerged early this year as the new force behind the dissident movement, was arrested in June and is still awaiting trial. It is reported that he may be forced to undergo "psychiatric" treatment.

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Other prominent dissidents, such as Julius Tomin, have been harassed and threatened to the point where exile, despite the very real threat of loss of citizenship, seemed preferable to a life of intimidation and possible prison sentences.

Jiri Lederer, the journalist who ended a three year sentence at the beginning of 1980 has gone to the Federal Republic of Germany and has been deprived of his citizenship. He was forced out after threats to expel his Polish wife.

Coinciding with the opening of the Preparatory Meeting in Madrid, thirteen prominent signatories of Charter 77, including Dr. Hajek, were detained for periods of up to 48 hours in connection with a letter they were planning to send to President Husak on the Czechoslovak human rights record.

Pursuance of religious beliefs remains severely circumscribed. The régime makes no secret that it is dedicated to atheism and regards the continued existence of organized religion as temporary.

An Evangelical priest, Soukup, is currently in prison for reading his poems at a friend's wedding.

Economic and social rights are given great prominence, but in practice they are subordinated to political considerations. Children of dissidents find it difficult to get into university or even secondary schools, regardless of their entrance test scores. Dissidents find it difficult to find suitable jobs. Since work is also a duty as well as a right, there are reports that some dissidents are forced out of work and then arrested as "parasites", for being without a job for six weeks, which is a criminal offence.

(ii) Confidence Building Measures

No manoeuvres were notified. Czechoslovak observers attended the Western manoeuvres St. Georg, Certain Ramparts and Spearpoint, which were held in September.

(c) Economic Co-operation

The most significant development occurring in the field of economic co-operation during the present review period has been the enactment of several important laws which

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will undoubtedly influence to some extent, the conduct of foreign trade. Decree No. 59 which came into force on 1st July 1980 established strict regulations regarding the non-commercial import and export of a wide range of consumer goods and foodstuffs. Decrees 83 and 84 enacted on 15th July 1980 specify the new rates of duty payable on the import and export of certain items and limit the total amounts of duty-free imports to Kcs 3,000 for residents, and Kcs 600 for non-residents, in an effort to control the flow of such articles in and out of the country. The "Law on Economic Relations with Foreign Countries", which came into force on 1st July 1980, consolidates already existing legislation pertaining to foreign economic relations into one single law. It covers commercial practice, transactions, licensing, co-operative agreement, representation, and the status of the Czechoslovak Chamber of Commerce and Industry. The monopoly in commercial dealings accorded to the foreign trade corporations under the jurisdiction of the Ministry of Foreign Trade continues. In cases, however, where it is expedient and in the interests of the national economy, the Ministry of Foreign Trade has been granted the discretion to delegate direct negotiations and contracting rights to enterprises. An element of flexibility has been added to foreign trade activities except for direct importing which remains strictly within the purview of the Foreign Trade Corporation, as the latter controls payment. Opinions differ over the present commercial climate in Czechoslovakia. Whereas some observations reflect improved access to officials and end-users, others report greater restrictions whereby appointments must be cleared in advance through diplomatic channels. Some ministries have proved to be unco-operative, even when it would have been to their advantage to co-operate.

There has been no increase in the number of representative offices over the reporting period. Finding suitable business premises continues to be difficult and involves delays.

Except for during tourist and trade fair seasons, hotel accommodation in major commercial centres is good. Moreover, three new hotels planned for Prague should alleviate shortages. Businessmen encounter problems in obtaining adequate living quarters at reasonable rents and are dependent on diplomatic services for securing housing.

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Visas for business trips are issued without particular difficulties, although the process has not been simplified. Travel within Czechoslovakia is confined to those places necessary for business purposes.

Engaging local personnel often proves annoying as the Diplomatic Services Office of the Foreign Ministry is very slow in selecting candidates and sometimes proposes those lacking the necessary qualifications. Firms find that their own candidates fail to obtain the required approval or are shifted to other companies after having been trained for a particular job.

The availability of economic and commercial information is only fair and appears to be diminishing. Foreign trade officials, in the course of discussions, sometimes provide additional facts, but there appears to be a growing reluctance to volunteer such information. Statistics are deficient and it is virtually impossible to find out the amount of hard currency available to the foreign trade corporations.

Data concerning the state budget and plan other than that published in the local press, are also lacking.

In industrial co-operation, the Czechoslovak government continues to be interested in promoting licensing agreements and joint ventures in Third markets with Western countries. The lack, however, of clear-cut legislative and practical guidelines and the prevailing commercial atmosphere might confuse and discourage interested foreign firms. Moreover, Czechoslovakia has become increasingly involved in agreements of co-operation and specialization with other CMEA countries.

(d) Human Contacts

Although the number of family visits has increased, it remains difficult for Czechoslovak citizens to obtain a visa for this purpose. Moreover many Czechoslovaks, having once been refused an exit permission, are reluctant to challenge the authorities further.

The Normalization and Amnesty programmes have allowed a large number of "illegal" emigrants to regularise their status and to visit Czechoslovakia. Nevertheless, naturalised United States citizens of Czechoslovak origin continue to be refused visas rather frequently.

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The process of applying for permission to emigrate from Czechoslovakia for family reunification purposes can be long and difficult. It takes normally six months to a year. Application fees vary according to a number of factors, including the value of the education which the state estimates it has given the applicant.

There does not appear to be any pattern of harassment by local authorities of applicants for emigration but the treatment of individual applicants varies widely.

In spite of these reservations, the record has been reasonably good. The Ministry of Foreign Affairs appears to be making a sincere effort to resolve even the most difficult cases, where resistance to the granting of exit permission from other ministries is greatest.

With regard to bi-national marriages, there are no real problems. The condition is that the marriage takes place in Czechoslovakia. An exit permission is normally obtained within three to six months after the marriage ceremony. The number of tourists visas has decreased but this is probably due to currency problems.

A new phenomenon is that a large and increasing number of "tourists" simply fail to return from visits to Austria and Germany. Probably as a result of bribery or inefficiency, in many cases whole families have been able to leave for separate destinations during the same period and then meet up abroad.

(e) Information

The performance in the exchange and freer flow of information is totally influenced by domestic political priorities and there has been no improvement since the signing of the Final Act.

In official statements, it was explained that "half of the Western publications which arrive in Czechoslovakia are not distributed because they contain offensive material. Czechoslovakia has a new and fragile social system. Since the country is in the centre of Europe it is inundated by all sorts of communications, many of them harmful. Therefore the government is justified, under principle I (sovereignty) to protect its social system by jamming of some radio broadcasts, limitations on foreign publications, and censorship of domestic news."

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Working conditions for journalists have not improved either. The restrictions on the activities of Czechoslovak employees of Western news agencies and the fact that there was insufficient work for a full-time correspondent in Prague have, for example, resulted in the closing down of the local Reuters office.

(f) Cultural and Educational Co-operation

No changes were reported in the field of cultural and educational co-operation.

3. German Democratic Republic

(a) General

During the period under review the overall implementation record of the GDR showed little change.

In the field of culture, however, the GDR concluded an accord with France for the establishment of a cultural centre.

In September the implementation of the GDR showed minor improvement in that the GDR eased its controls on the distribution of Foreign Embassies' informational material and press releases. In October, however, the GDR introduced a very large increase in the compulsory exchange requirements for visitors from all "non-socialist" countries, which represents a considerable setback in the field of human contacts.

The generally tighter internal controls applied since last year have not been compensated for by the partial amnesty. The positive trend in the solution of cases of family reunification and bi-national marriages was sustained.

(b) (i) Principles

In the field of human rights and fundamental freedoms, the situation has not changed.

According to GDR sources, 21,928 people were released under the Amnesty to mark the 50th Anniversary of the GDR. This figure is thought to have included 2,500 - 3,000 political prisoners who remain however under tight control; have no choice as to employment and are required to report regularly to the police. Relations between the authorities and the Church hierarchy continue to improve, but so far to little avail for individual Christians who continue to suffer discrimination at work and school.

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(ii) Confidence Building Measures

The GDR notified in August the Warsaw Pact major manoeuvre "Brotherhood in Arms 80" involving 40,000 troops. The content of the notification was however poor. It gave only a vague indication of the time of the manoeuvre, the units that would participate, and the area in which it would take place. No observers were invited.

(c) Economic Co-operation

During the current reporting period, the GDR has experienced certain administrative rearrangements in its foreign trade organizations. Responsibility has been partially delegated from these agencies to the centrally directed "Kombinats" (industrial conglomerates) and to the industrial ministries. It is not yet appreciable what the consequences will be for foreign trade, but it is unlikely that the state monopoly will be much affected.

The Leipzig Trade Fair, which took place in Autumn 1980, resulted in no new business contacts or possibilities outside the usual framework. As the next five-year plan has not yet been determined for all economic units, GDR contracts for heavy construction imports have been deferred for the time being. Since the middle of the year, talks with the West Germans have been carried on over projects of common interest, particularly in the energy sector.

Commercial officials are fairly accessible, but people of real influence are difficult to meet. The most serious obstacle is the lack of access to end-users in factories and institutions.

Western firms are obliged to open offices in the International Trade Centre in East Berlin and enlist the services of a GDR "agent" to act on their behalf. The two existing foreign currency hotels in East Berlin offer reasonably good accommodation and an additional one is planned. Hotel vacancies in Leipzig during the twice-yearly Trade Fairs are extremely limited. The scheduled opening next Spring of a new hard-currency hotel, "Hotel Merkur", though oriented towards foreign businessmen, is unlikely to alter the situation greatly. Internal travel restrictions continue to apply.

It remains to be seen if the recent unilateral action of the GDR in increasing the minimum exchange quotas for visitors to the GDR will have impacts in the economic field and especially on trade.

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The amount of economic and commercial information is inadequate and is declining, with the statistics for the state budget reduced by one third.

Industrial co-operation is made increasingly more difficult as projects for which Western firms have tendered are suddenly postponed or cancelled without explanation.

(d) Human Contacts

On 9th October 1980 the GDR announced large increases in the compulsory exchange requirements for visitors from all non-socialist countries to the GDR (in general from DM. 13 to DM. 25 for adults, from DM. 6.50 to DM. 25 for day visits of adults in the border area and Berlin). These measures will affect intra-German human contacts considerably since more than 95% out of the eight million West Germans visiting the GDR last year visited relatives and therefore did not need any GDR currency in general. They imply great social injustice since they include for the first time, old age pensioners and children. The underlying reason for these measures taken by the GDR authorities would appear to be the desire to cut off links with and influence from the West.

The régime for family visits remains without change very restrictive. Visas are in general granted only to pensioners. The positive trend in the solution of cases of family reunification and bi-national marriages has continued, although not all Western countries have the same experience.

Applicants for family reunification are sometimes harassed and lose jobs and school privileges, but this is done by local authorities. The Central authorities seem to have abandoned the practice of systematic harassment intended to discourage applicants.

The number of tourists from the GDR to Western countries remain negligible.

The GDR authorities prevented a considerable number of sport meeting events with sportsmen from the Federal Republic of Germany from taking place, using the pretext of the Federal Republic breaking agreements with the GDR by not taking part in the Moscow Olympic Games.

(e) Information

Also in the field of information the situation remains unchanged.

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Western newspapers are practically unavailable.

Restrictions on the information activities of diplomatic missions were eased on 30th September when the GDR lifted its requirement that Western Embassies submit press releases and informational materials to the Foreign Ministry for approval before release. Potential GDR visitors to embassies continue to be deterred.

The tighter control over foreign journalists introduced by the April 1979 regulations has continued to apply. That these regulations are applied with more vigilance is shown for example by the fact that three West German journalists were prevented from attending the Autumn meeting 1980 of the Evangelical-Lutheran Church of Saxony. Some Western journalists find that their applications to visit certain parts of the GDR and to interview GDR citizens are generally processed slowly and that permission is often not forthcoming.

(f) Cultural and Educational Co-operation

The GDR seems to be making an effort to expand cultural and educational co-operation.

Especially noteworthy, in this connection, was the signature on 16th June 1980 of an agreement with France on cultural co-operation together with a special agreement on the opening of cultural centres. The full significance of the latter becomes apparent when it is remembered that there is not a single non-Warsaw Pact country cultural centre either in East Berlin or in the GDR and that all requests from Western countries to open such centres have hitherto been categorically turned down.

The exchange programmes in the framework of educational co-operation labour under severe restrictions. Programmes are not advertised, candidates are kept under strict control, and programmes and administrative arrangements for visitors in both directions are strictly monitored.

4. Hungary(a) General

Within the important limits imposed by its relationship with the Soviet Union, the Hungarian record of implementation remains satisfactory. There has been a steady liberalisation in the field of human rights. While there are areas such as information where Hungary could do more

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to implement the Final Act, the CSCE process has coincided with the evolution of one of the least repressive internal security régimes among Warsaw Pact nations and the development of the most liberal travel policy in Eastern Europe.

(b) (i) Principles

In the field of human rights and fundamental freedoms, the government continues to demonstrate a relatively tolerant attitude. Although there is no organized dissident movement in Hungary, there are dissident activities. On 20th August seven dissidents intended to travel to Poland to demonstrate support for striking workers. However, they were prevented from doing so and had their passports confiscated.

Satirical cabaret and critical theatre plays are tolerated in general. Nevertheless, there was a case of two actors asking for political asylum because they had got into trouble after participating in a critical play.

A special phenomenon during the reporting period was a dramatic increase in the number of refugee applications in Western countries (twice as many as in the first six months of 1980 compared to 1979). It is thought possible that the invasion of Afghanistan may have been a factor in this increase.

Although the government has not yet reacted to this phenomenon, the fear has been expressed that such a situation cannot be ignored.

(ii) Confidence Building Measures

The joint Hungarian-Soviet military manoeuvre "Exdyna 80", which involved 18,000 troops and took place from 23rd-30th August, was orally notified 24 hours in advance.

(c) Economic Co-operation

Hungary has made genuine efforts to improve the implementation in the field of economic co-operation in order to promote foreign trade relations. During the first half of 1980, trade with the West developed very favourably for the Hungarians. Exports to non-rouble markets increased, while imports from non-CMEA countries rose only marginally. Currently, 50% of Hungary's trade is

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conducted with non-rouble areas. Although the government would like to maintain or boost this percentage, because of economic constraints, plan targets are less ambitious for the medium-term than was previously thought.

Foreign companies are encountering fewer obstacles in establishing contacts with Hungarian enterprises without resort to the foreign trade organizations. Even those enterprises, which are not empowered to engage in foreign trade dealings, receive authorization on a regular basis in an effort to deal as directly as possible with foreign companies. Some Hungarian enterprises have been divided into smaller units which function more competitively and efficiently.

Hotel availability is insufficient, particularly during trade fairs and congresses. To alleviate this deficit, three new hotels are being built in Budapest under Austrian direction. Similarly, business premises and housing are also in short supply and prices for overall accommodation have risen considerably.

Visas are easily obtainable, either at border points or upon arrival at the airport. No restrictions apply to business travel within the country, although access to Hungarian enterprises can be difficult unless arranged carefully in advance.

The amount of official statistics published, partly in English, is sufficient although perhaps rather outdated. Trade statistics use the Brussels Nomenclature, which aids in standardization. Additional sources are difficult to obtain, although Hungarian banks supply more detailed information to foreign banks for their internal use. Last April, the National Hungarian Bank published a memorandum containing precise analytical facts on the economic situation and on the finances of the country. This was done upon conclusion of an agreement with a consortium of international banks under the direction of Manufacturers Hanover for a loan of \$250 million.

In regard to economic and industrial co-operation, Hungarians are showing greater interest in more durable relations involving joint development, manufacture, and marketing of a product between foreign and local companies, rather than traditional buy-back deals. Other schemes concern the establishment of joint manufacturing enterprises in Hungary and abroad, or joint tendering with Western companies for projects in Third countries. There are, however, various pre-conditions affecting such

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practices. The setting-up of a foreign representative agency must somehow lead to an improvement in Hungarian production potential and access of Hungarian products to foreign markets. Prior to participation in joint ventures the stipulation must be satisfied that the export possibilities of the Hungarian partners will be expanded. Despite these conditions, during the recording period the number of co-operative agreements in operation reached 600, and the number of joint ventures increased from one to four, involving such companies as Siemens, Volvo and Corning.

(d) Human Contacts

Hungarian policy in the field of human contacts remains unchanged. Visas for family visits can be obtained every two years. With regard to family reunification, few cases remain unresolved.

Travel for touristic purposes has increased by \pm 20%. In 1980, probably more than 500,000 Hungarian tourists will visit Western countries, while more than 700,000 Western tourists will visit Hungary. Tourism to Hungary is encouraged, with advertising campaigns of Hungarian tourist agencies aimed primarily at Western countries.

(e) Information

In the field of information, implementation leaves still much to be desired. There has been no increase in the very limited availability of Western newspapers and the general public has virtually no access to Western publications through subscriptions because of currency restrictions. Still, it is less difficult for Hungarians to obtain information from Western countries than for most other East Europeans because of the large number of tourist visits and the possibility of receiving Western radio broadcasts without jamming. Occasionally, it is even possible to buy special antennae for better reception of such broadcasts.

(f) Cultural and Educational Co-operation

In this field as well, Hungary maintains a relatively liberal policy. A large number of American works are being translated and contemporary writers are in great demand.

Co-operation and exchanges with Western countries continue smoothly.

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Developments in Poland as a consequence of the workers' strikes in August have played an overriding rôle in Poland's implementation performance during the period under review. Remarkable features were the quantity and accuracy of Polish coverage of the strikes, combined with the freedom of foreign journalists to visit the strike areas and to obtain information; the restrained reactions of the authorities with regard to political dissidents, who were all freed after the agreement with the strikers, the increased access of the Church to the mass media, and the granting of the request of the workers that the Final Act should be reprinted in a brochure and widely distributed.

It should be noted that full implementation of the agreements between the government and the strikers committees would lead to a very significant improvement in the implementation of the Final Act.

(b) (i) Principles

In the field of human rights, the authorities maintained a relatively restrained policy. Dissidents were arrested during the strike actions, but at the request of the strikers they were set free again. Some have since been rearrested and others harassed.

Also as a consequence of the agreement with the strikers the access of the Church to the mass media has improved. For example, an entire mass may be broadcast every Sunday by radio.

(ii) Confidence Building Measures

No manoeuvres were notified nor were observers exchanged.

(c) Economic Co-operation

The trend in Poland to stabilise economic co-operation with the West has had overall positive effects on Polish implementation of the provisions on economic co-operation.

In an effort to win back the confidence of the population in the wake of the Summer 1980 events, the government is releasing economic data in far greater measure than

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ever before. The new régime's endeavours to introduce economic reforms could, in the long term, facilitate the work of Western businessmen. Efforts to reduce imports, however, could impact negatively on foreign trade.

The recent upheavals, however, have further aggravated already existing delays in the payment of contracts with Western firms. This, plus the uncertainty surrounding economic changes, has obliged some companies to postpone for a while their dealings with Poland.

Contacts between Western firm representatives and the competent foreign trade organizations are more relaxed than in 1979. Direct visits to production sites are also possible. Due to plan alterations, the conduct and duration of dealings are somewhat slower than previously.

The number of Western company offices established on the basis of the 1976 enabling provisions has increased over the present reporting period to 130 altogether. There is a tendency for the Polish authorities to induce foreign firms to open commercial instead of technical information offices in order to augment their revenues through higher taxation. The establishment of branch offices outside Warsaw is hardly ever permitted. The first combined office representing a number of companies was authorized in October 1979 and is currently in operation.

Hotel accommodation in Poland continues to be scarce, particularly outside the bigger cities, although the number of beds is being increased. It has been observed that due to a decrease in East-West trade activity, hotel accommodation has become slightly more available.

A prior invitation from an official Polish agency is required before issuance of a visa for business purposes. In view of an earlier restrictive import policy, such an invitation is not always easy to obtain. There has been no improvement in expediting entrance and exit formalities at border points or at the airport.

Economic and trade information is being published to an extent surpassing anything previously. Due to worker pressure, the non-availability until now of salary and price statistics should cease. In comparison with other CMEA countries, Polish statistics come out somewhat better. The number of production and service enterprises, established with Western investment on the basis of the 1976 law, total about 50 according to Polish figures. A great part of these has been set up outside Poland. A law dating from February 1979 has made mixed Polish and Western companies possible although none are yet known to exist.

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The increase of family visits and also of travel in general continued, although during the period of the strikes a more restrictive attitude with regard to the granting of visas was noted.

Effective from 2nd October, Poland has suspended a unilateral practice according to which Danish and Norwegian tourists could obtain visas at Polish border stations.

(e) Information

During and since the strikes, public information has been remarkable in terms of both quantity and accuracy and certainly in comparison with practices elsewhere in Eastern Europe. Working conditions for journalists and opportunities for foreign journalists to go to the strike areas and obtain information were good. Since the strikes, official policy has become more restrictive again.

(f) Cultural and Educational Co-operation

No changes in this field were reported.

6. Romania(a) General

Romanian policy vis-à-vis the Final Act and its implementation record shows no real change in most areas.

The internal security system remains very restrictive. In the area of human contacts administrative arrangements have not changed. However the easing of foreign exchange restrictions has led to an increase in tourism to Western countries.

The unhelpful and obstructive attitude of the Ministry of Education towards educational co-operation and exchanges represents a serious deterioration in past performance.

(b) (i) Principles

No improvement in the field of human rights and fundamental freedoms has been noted. There is evidence that Father Calciu, the dissident orthodox priest, Dr. Cana, founder member of the Free Trade Union of Romanian Working Men (SLOMR) and Gheorghe Brasoveanu, also a SLOMR founder are still in prison, allegedly under a harsh régime.

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The Second Congress of People's Councils that took place in September was billed as an expression of democracy and of mass participation in decision making. In his concluding speech, however, President Ceausescu made it clear by implication that there were limits to the expression of opinion and dissent, and that anything beyond them would be treated as a crime.

On the other hand, the Romanian authorities have continued to show their willingness to pursue a dialogue on human rights issues with other countries. During the period under review, an ecumenical group of American religious leaders from the Appeal of Conscience Foundation visited Romania to discuss religious questions with government officials and religious leaders.

(ii) Confidence Building Measures

No manoeuvres were notified nor were observers exchanged.

(c) Economic Co-operation

In regard to implementation in the economic field, reports indicate that there has been a slight improvement in business working conditions. Although advance notice is necessary, appointments with Romanian officials and the directors and staff of foreign trade organizations are fairly easy to obtain. Senior level businessmen have been able to meet the President and top cabinet officials. Access to end-users remains difficult but useful contacts can be established at the annual Autumn trade fairs and at smaller exhibitions throughout the year. The Romanian government has sponsored specialised symposia and seminars to bring together the commercial and scientific communities from Romania and abroad.

Visa restrictions are minimal and business travel within Romania is unimpeded. Romanian customs has increased the amount of the deposit payable from 50% to 100% of the value of the vehicle imported by a foreign businessman for personal use during his stay.

Four options are available to Western firms wishing to set up business in Romania: (1) send representatives to Bucharest; (2) open a representative office; (3) be represented by the state-owned firm Argus; (4) be represented by a Western agency in Bucharest (although in the

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last few months limits have been imposed on the number and size of firms which may be so represented). Hotel accommodation is adequate and prices correspond to West European rates. Office space is usually obtained in city hotels or through the state agency Argus, but due to a general housing shortage, may take from six to eight months to locate. Similarly, securing living quarters through the National Tourist Office involves long delays. Rents for commercial and residential accommodation are comparable to Western Europe and are expected to rise considerably during the 1980-1981 year to correspond with increases of 30-70% announced in June 1980 for diplomatic and airline space provided by the Foreign Ministry.

Economic and commercial information is incomplete and unsatisfactory. The Statistical Yearbook, appearing in October or November and covering the previous year, indicates the value in lei of Romanian foreign trade, but omits figures for volume of exports and the distribution of trade by partners. The Romanian government authorized the IMF to print a page on Romania in International Financial Statistics and has made available to some Western countries computer print-outs on bilateral trade. There are a number of practical handbooks for carrying on business in Romania, but due to a recent re-organization of the Foreign Trade Ministries and enterprises and the enactment of new trade regulations, much of this information requires updating.

All advertising and marketing activities must be done through the state agency, Publicom. The one exception is that foreign embassies may sponsor trade promotion seminars open to Romanian end-users.

Counter-trade is intensifying and remains the primary criteria for concluding contracts with Western firms. Although 100% compensation is usually required, in cases where the foreign company is supplying raw materials or essential manufactured goods, either this stipulation has been reduced or waived altogether. Western firms have difficulties absorbing those goods offered for counter-trade, which are often over-priced and of inferior quality. The fact that Romania has sought to curb imports and boost its exports has not provided the incentive necessary to improve the range and quality of products and assure their timely delivery and after-sales servicing. Negotiations are time-consuming and costly and it can take from one to two years to progress from preliminary discussions to final contract.

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In order to advance industrial and technological development, the Romanian government has embarked on co-operative projects and joint ventures with Western, Communist and Third World countries. Since 1971, joint equity ventures are possible in Romania as long as there is 51% Romanian ownership. As of the Spring 1980, five such joint ventures are in operation in Romania and 70 abroad. The Romanian government is continuing to emphasize co-operation in the development of natural resources in third countries with an aim to securing supplies of essential raw materials and markets for Romanian industrial goods.

(d) Human Contacts

In the field of human contacts, there was no significant changes in administrative arrangements.

It became slightly easier for elderly applicants to obtain visas for the purpose of family visits but the proceedings for younger applicants remained difficult and time-consuming. In general, one permission can be obtained every two years. The processing time to obtain permission to emigrate for the purpose of family reunification has lengthened and takes now between nine months to over two years. Emigration in general continues to be discouraged and there are indications that all applicants are affected by, for example, losing their job upon applying for exit visas.

Permission for binational marriages is normally granted although the waiting time for approval remains excessively long, i.e. more than six months.

There has been an increase in touristic travel by Romanians to Western countries following the easing of foreign exchange restrictions.

(e) Information

In the field of information as well, there has been no perceived change in Romanian policy. The availability of Western newspapers remains practically nil.

The reception of foreign journalists remains from a technical point of view rather satisfactory, although there were some incidences which indicated an increased sensitivity to criticism of certain features of Romanian society and its internal policies by the Western media.

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(f) Cultural and Educational Co-operation

Cultural co-operation continues to develop rather smoothly. However, a serious deterioration in educational co-operation has been reported in that the unhelpful and obstructive attitude adopted by the Ministry of Education constituted a serious obstacle for the implementation of exchange programmes. It may be pertinent to note that there are indications that the Ministry has to work within increasingly tight financial and ideological constraints under the new education law.

7. Soviet Union

(a) General

During the period under review, the situation in the Soviet Union has deteriorated, mainly because of restrictive measures and repressive actions taken in connection with the Olympic Games. Moreover, it appears that the tightening of internal security to prevent contacts between foreigners and the Soviet population and the increased repression of dissidents, including detention and expulsion, have continued following the Games.

During the Games themselves, granting of emigration visas to Soviet citizens of Jewish and Armenian nationality slowed down to a trickle and all administrative procedures which affected all aspects of "Co-operation in the Humanitarian Field" were similarly suspended. However, after the Games, emigration figures of Jews and ethnic Germans rose considerably (by almost 100% in September as compared to August).

The Soviet authorities themselves have presented the holding of the Olympic Games as a constructive contribution to the realisation of the Final Act and have suggested that Western attempts to discourage athletes from participating and the limitation of media coverage in Western countries were violations of the Final Act.

Meanwhile, events in Poland during the strikes led to the resumption of jamming of various Western radio broadcasts.

(b) (i) Principles

There has been no apparent weakening in the Soviet resolve in Afghanistan, where the Soviet Union is continuing its efforts to subjugate the country by force. In the field of human rights and fundamental

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freedoms, the repression of dissidents continued undiminished. Since April, the authorities have followed up on the round-up last Fall and Winter of dissidents from all groups by either expelling those with the best contacts abroad or by putting them on trial.

Those who were expelled included a founder of SMOT and four women active in promoting womens' rights. A number of dissidents were sentenced to five to seven years in labour camps and five years internal exile. A series of trials, involving eight dissidents, opened in August and will probably be continued in the Fall. On 1st October, a new trial against several dissidents commenced.

At the same time, Soviet counter-attacks against the West on human rights issues have been stepped-up with articles on Amnesty International and articles on the recent trials in which the West is attacked for interference and the activities of Soviet dissidents abroad are criticised.

Quite a few youngsters taking part in an anti-Russian national demonstration of about 5,000 young people in Estonia at the beginning of October were arrested and threatened afterwards.

The Jewish emigration rate declined during the pre-Olympic months and slowed down to a trickle during the Olympic Games, but has picked up considerably again in the first half of September.

(ii) Confidence Building Measures

The Soviet Union notified a Soviet major military manoeuvre involving ± 30,000 troops that took place in the GDR from 10th-16th July. However, the content of the notification was poor as it gave only vague indications of the units participating and the area in which the manoeuvre would take place. No observers were invited.

Soviet observers attended the Western manoeuvres St. Georg, Certain Ramparts and Spearpoint, which were held in September.

(c) Economic Co-operation

Very little information was received commenting on progress in implementation in the economic field, during the period under study. The trend for concluding agreements on economic, technical and scientific co-operation

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between the Soviet Union and Western countries appears to be continuing. These accords, usually for five year periods, are being supplemented by longer-term programmes spanning 10-20 years.

Business contacts with Soviet official bodies and import-export organizations occur regularly and frequently enough, although gaining access to end-users is almost impossible.

The only reported office opening was that of an Italian company, Banco di Napoli, which commenced operations in 1979.

The housing situation has remained unchanged and Western businessmen are charged extraordinary rents for office space in hotels. The planned-for opening of the new commercial centre, "Sovincentr" should improve somewhat the availability of business accommodation, although at high costs.

Procedures are slow for obtaining entry visas and permits for internal travel. Foreign representatives in Moscow, other than office heads have encountered inconvenience by having to apply for an exit visa each time they leave the Soviet Union. As visa departments are closed at weekends, this poses difficulties when urgent personal situations arise.

Soviet statistics, appearing in the statistics annual and foreign trade handbook, are published regularly but are incomplete in satisfying the needs of foreign business interests.

(d) Human Contacts

The Soviet performance in the field of human contacts remains disappointing and unsatisfactory. Many humanitarian cases remain unresolved.

The application procedure for exit visas for purposes of family visits and tourism remains very unpredictable, cumbersome and time-consuming, with often a negative result.

Treatment of bi-national marriages varies from locality to locality and is subject to administrative variations. The Soviet authorities appear to wish to discourage these marriages and it is difficult for Western citizens to obtain a visa to enter the Soviet Union to marry a Soviet fiancée.

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(e) Information

The main negative development in the field of information was the recommencement of the jamming of the Russian language services of the BBC and Deutsche Welle and of the transmissions of the Voice of America in Russian, Ukranian and Armenian. According to TASS, these services conduct psychological warfare and their "incompatibility with the Final Act can be seen with the naked eye".

Working conditions for journalists remain difficult and incidences of harassment of foreign journalists occurred during the period under review.

(f) Cultural and Educational Co-operation

Co-operation in the field of culture and education remained largely dormant as a consequence of the invasion of Afghanistan. The tightening of the internal security system has led to an intensification of the control of Western cultural manifestations.

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