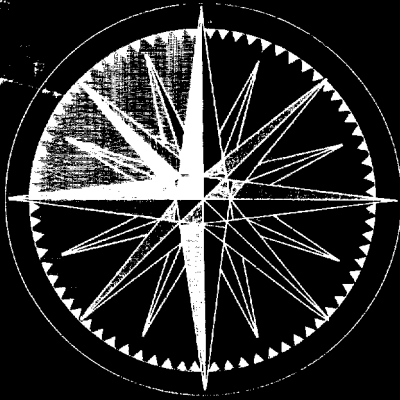


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SPECIAL REPORT

OFFICE OF CURRENT INTELLIGENCE

RUMANIAN SUSCEPTIBILITY TO SOVIET BLOC PRESSURES

CENTRAL INTELLIGENCE AGENCY

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19 July 1963

RUMANIAN SUSCEPTIBILITY TO SOVIET BLOC PRESSURES

Rumania's relations with Moscow and the Eastern European countries face an uncertain future. Their development depends to an important degree on how the USSR decides to deal with Bucharest's opposition to certain Soviet-backed CEMA policies which would limit Rumania's industrial development. So far efforts within the CEMA Executive Committee, and at least two high-level efforts by the Russians [redacted]

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[redacted] have failed to bring about a change in Rumania's position or a compromise. Should Rumania remain adamant, the USSR might eventually feel it necessary to bring pressures--other than military--to bear, even at the risk of failure or of damage to its relations with other European satellites.

Bucharest has been careful until recently to keep its dispute with Moscow within close bounds. It has made clear that it remains committed to the political and ideological policies of the Soviet bloc. By and large the Rumanian regime, as one Rumanian diplomat recently said, has been "playing games" with Communist China and Albania to strengthen its bargaining power vis-a-vis the other CEMA members.

Within the last month Bucharest has taken steps that must have heightened Khrushchev's concern about the direction in which the Rumanian regime is moving. The Rumanian party daily was the first--and until 14 July the only--one in the Soviet bloc to publish a summary of the 14 June Chinese Communist letter, and on 30 June party first secretary Gheorghiu-Dej failed to join his satel-

lite colleagues in attending the birthday celebration of East German leader Ulbricht.

Unless Moscow accedes to Rumanian demands or can achieve a compromise solution, it may feel compelled in time to bring pressure on Bucharest, if only to assert its authority before the rest of Eastern Europe. While the pressure tactics open to Moscow are varied, they are either of limited efficacy or risky from the point of view of the USSR's broadest interests. They include psychological, economic, clandestine, and military pressures.

It is unlikely that military force would be used and none of the remaining forms of pressure, either singly or in combination, would be certain to bring about what the USSR would regard as a salutary

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change in the Rumanian attitude. Moreover, their use could provoke unfavorable reactions elsewhere in Eastern Europe, provide further reason for the Chinese Communists to attack the USSR, and weaken the receptiveness of the underdeveloped countries to Russian overtures.

Psychological Pressure

Initially Russian pressure on the Rumanians might be in the form of subtle psychological snubs such as restriction of formal diplomatic contacts and possibly some reduction in semiofficial party relations. Furthermore, Moscow might attempt to persuade other bloc countries to slight the Rumanians--either in their press and radio, or in other ways. Some form of polemical attacks might follow.

Evidence that Moscow may already have begun to apply pressure through the satellites appeared on 1 July when the East German party organ omitted any mention of Rumanian birthday greetings to Ulbricht in a list of those from the Soviet bloc under a headline "Greetings from Friends." Instead Bucharest's message appeared the following day sandwiched between the Chinese and North Vietnamese greetings under the title "Congratulations From All the World." The East

Germans were the first to attack Albania openly, in a speech by Ulbricht in December 1960 to a party central committee meeting.

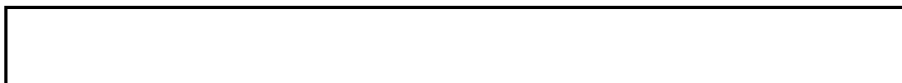
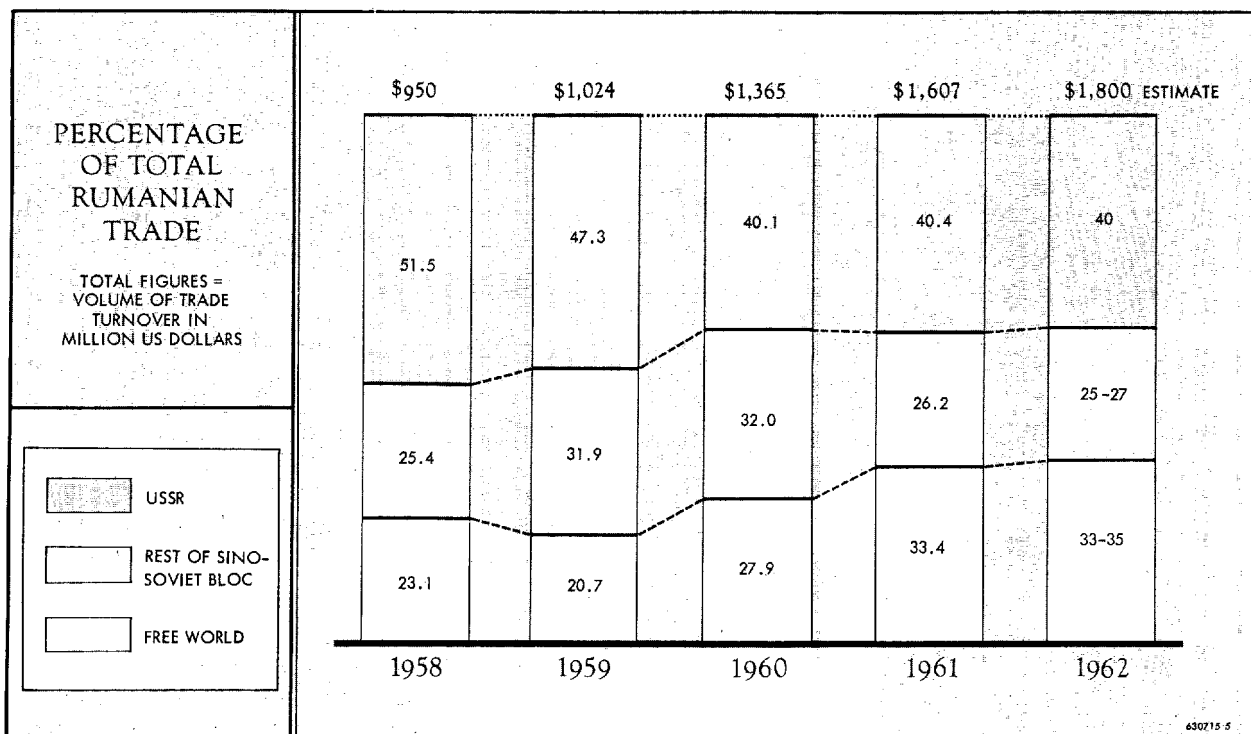
Psychological and propaganda pressures of this sort are none too effective, however, as has been demonstrated in the Albanian and Chinese Communist cases. Moreover, in the case of Rumania, such pressures might only serve to upset some of the other Eastern European countries who can anticipate that they may find themselves some day in the same position as Bucharest.

Economic Sanctions

The USSR is not in a position to exert effective economic pressure against Rumania to gain its political ends, i.e., force it to abandon its opposition to certain CEMA policies.

If Moscow were to sever all or a major portion of its trade ties with Bucharest, the Rumanian economy would suffer considerable temporary setbacks, but the standard of living could probably be maintained not far below current levels. After a period of retrenchment industrial growth would be resumed. The length and severity of the retrenchment

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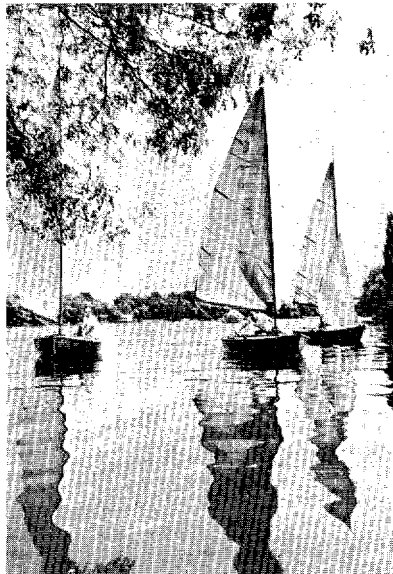


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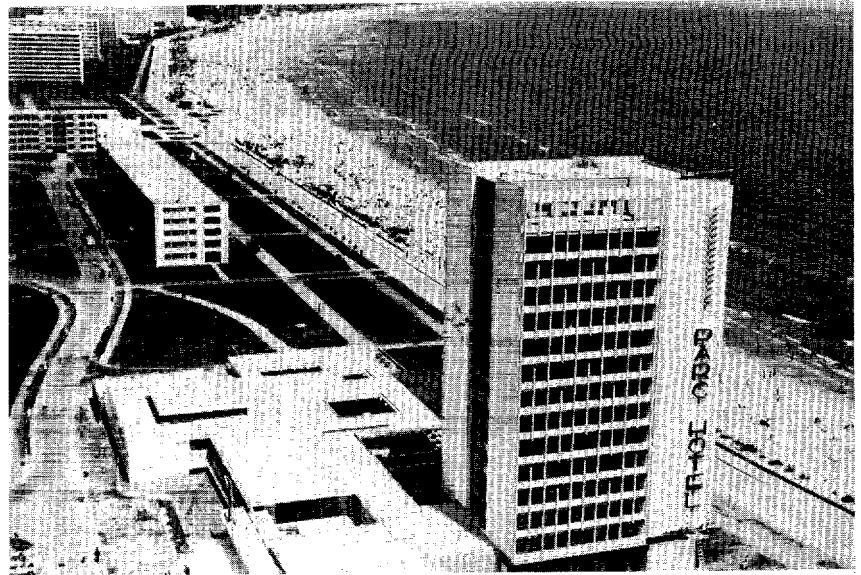
would depend on the extent of satellite participation in Soviet-imposed sanctions and on the amount of Western assistance that could be obtained by Rumania.

Although during the past three years Rumania has been rapidly expanding its trade with Western Europe while reducing its dependence on Moscow, Soviet trade nonetheless still comprises 40 percent of Rumania's total foreign trade. Trade with the entire Soviet bloc comprises about two thirds of Rumania's total foreign trade.

The Galati steel combine, the country's largest industrial project, is one example



SAILING IN BUCHAREST
The Rumanians Want More



A RUMANIAN RESORT HOTEL

of Bucharest's growing economic contacts with the West. This mammoth combine is being built exclusively with equipment acquired in the West and is no doubt designed to reduce Rumania's reliance on steel imports from the USSR.

All of the major imports required by Rumania would be available in Western markets, and the potential market in the West for Rumanian exports allows the country a considerable flexibility in shifting the direction of its foreign trade. Although any sudden and major redirection of exports would cause significant economic losses, roughly one third of the goods which Rumania currently exports to the Soviet bloc could be quickly sold in Western Europe. Within the first year, Rumania should be able to sell in the West at

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APOSTOL

A Possible Contender

least 40 percent of the goods now sold to the Soviet bloc.

No Soviet credits are currently being drawn upon by Rumania and no commitments for future credit have been made. Credits from other European satellites now being utilized by Rumania are small and are not significant in the domestic investment program.

Clandestine Capabilities

In any effort to promote a "palace coup" to overthrow the Rumanian leader, Moscow would have to cope with a tightly knit Rumanian hierarchy which is believed loyal to Gheorghiu-Dej. Dej, moreover, is a seasoned politician

who has skillfully weathered the Kremlin's many twists and turns since the late 1940's. In addition, the Rumanian leader, in his resistance to CEMA, has aroused the full support of the people by appealing to their nationalism and desire for economic well-being.

The presence of numerous Russian advisers in Rumania, however, puts the Soviets in a good position to unseat Gheorghiu-Dej. From what evidence exists, Soviet influence in the Ministry of the Interior and in the armed forces is extremely high. In addition, there is little possibility that the Rumanian people--unlike the Hungarians--would engage in an anti-Soviet uprising, since submissive habits have



GHEORGHIU-DEJ
The Defiant One

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been ingrained for centuries by continued subjection to many kinds of foreign domination.

The USSR probably would not find it difficult to locate and exploit a Judas in the regime leadership. The most likely candidate would probably be Gheorghe Apostol, politburo member and deputy premier, who is reported to be eager to replace Dej and waiting for the right moment.

No matter who might be chosen, installation of a puppet to replace Gheorghiu-Dej would probably result in a serious split in the party, which could make it even less responsive to Soviet wishes.

Military Force

Dej is probably pursuing his case in the realization that Khrushchev would not wish to unleash troops on Rumania because of the disastrous effect this would have on worldwide Communist and non-Communist opinion.

Given Khrushchev's intemperate nature, however, some sudden decision to use force cannot be ruled out. In this case, the USSR could quickly move in some of the 23 divisions

now stationed in Hungary and in the Carpathian and Odessa military districts. The Black Sea Fleet and sizable tactical air elements could also be quickly brought to bear.

No Soviet troop units have been stationed in Rumania since July 1958. The Soviet military liaison mission in Bucharest, however, with six general officers and at least 30 other high-ranking Soviet officers, has a direct hand in major Rumanian army policy decisions. It seems unlikely that Rumanian forces would resist a Soviet invasion.

Outlook

Bucharest will continue to exploit Moscow's need for support in the Sino-Soviet dispute as it tries to gain acceptance for its position in CEMA and to retain the right of independent national economic planning. Unless Moscow offers concessions, a course it may be contemplating, no easy solution is likely.

[redacted] such offers may be made at the next meeting of Soviet bloc first secretaries, reportedly to be held in Moscow late this month. [redacted]

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