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17 October 1950

SUMMARIES OF TRENDS AND DEVELOPMENTS

USSR

1. The Soviet Union in the UN is opposing the US-initiated program to increase UN capabilities for prompt, successful action because a more effective collective security system would decrease long-range Soviet capabilities by: (1) making a Korean-type venture of localized warfare unlikely to succeed and (2) encouraging non-Communist nations to resist Soviet-Communist political and military pressures.

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2. Over 300 kilometers of the 418 kilometer railroad from Mointy to Chu in Central Asia was probably completed by August of this year. Rails and ties have already been laid on the completed sections of the roadbed and since the completion of over six million cubic meters of earthwork is reported, probably little more remains for the last 100 kilometers of the job. The new project will improve railroad service in Central Asia and make the network more flexible.

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3. Although the USSR vetoed a second term for UN Secretary-General Trygve Lie, the Soviet Union cannot prevent the General Assembly from extending Lie's term for a two or three year period. Subsequently, the USSR will attempt to obstruct Secretariat operations by charging that Lie's activities are illegal and will use the GA action to document its case that the Western Powers are undermining the UN. Nevertheless, the USSR will acknowledge Lie as Secretary General whenever Soviet interests so demand, just as the Soviet Union returned to the Security Council despite the continued presence of Nationalist China.

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EASTERN EUROPE
ALBANIA

4. The virulence of anti-Soviet feelings on the part of workmen and factory managers in Eastern Europe is highlighted by the ironic news that even the industrial personnel of backward Albania dislike taking Soviet advice.

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BULGARIA

5. Increasingly hostile Bulgarian provocations against Greece and Turkey highlight Bulgaria's role as an international provocateur for the Kremlin.

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6. Significant increases in collectivization in Bulgaria portend an intensive Soviet drive to destroy the last vestiges of individual rights-private ownership and control of the land.

(Page 9)

7. The Bulgarian Government has taken action to complete the sowing of winter grains despite unfavorable agro-climatical conditions. This action may have an adverse effect upon the 1951 bread grain production

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CZECHOSLOVAKIA

8. The situation of the Roman Catholic Church in Czechoslovakia has deteriorated markedly since last year. The Government has virtually neutralized and silenced the Church organizationally, and has succeeded in obtaining nominal clerical support for many pro-Regime propaganda functions - a tactic which engenders disunity, confusion and defeatism both in clerical ranks and among the people who look to the Church for moral solace and strength.

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HUNGARY

9. Inflation continues to be a problem in Hungary. The use of anti-inflationary measures has failed to balance the demands of a huge investment program and consumer purchasing power.

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POLAND

10. The Polish Government's long campaign against the U.S. seems to be reaching its climax. Not only have Americans now been painted as thorough blackguards, but also the Polish people have received further warning against associations with Westerners as well as certain classes of Poles.

(Page 13)

RUMANIA

11. The recent appointment of two new assistant Foreign Ministers is probably intended to tighten discipline within the Foreign Ministry, insure more effective implementation of Moscow policies, and stiffen Rumanian policy toward the US, and possibly the entire West.

(Page 14)

YUGOSLAVIA

12. The evolution in Yugoslav theory and practice occurring since the Cominform break has probably removed some of the obstacles to freer intercourse between doctrinaire Yugoslav Communists and the non-Communist West. The impact of the Korean war and Yugoslavia's current economic setback have accelerated the improvement in Belgrade's official attitude toward the West.

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13. Yugoslavia has quietly begun repatriation of the

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remaining German prisoners of war who were being detained in connection with alleged war crimes, thus disposing of that impediment to good relations with Western Germany.

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EASTERN EUROPE

U S S R

Strengthening UN opposed by USSR
because it would reduce Soviet capabilities

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Soviet opposition in the UN to the US-initiated program to increase UN capabilities for prompt, successful action stems from the realization that a more effective collective security system would reduce long-range Soviet capabilities for expanding the area of its hegemony. The Soviet strategy of utilizing a localized aggression, as fully exemplified by the Korean War and to a lesser extent by the Greek war, would be seriously hampered by a strengthened UN. Soviet-sponsored Communist armed forces could probably not be successful in the face of a swift and determined UN counteraction unless the Soviet Union actually intervened, which the USSR would be unwilling to do as long as it is unprepared for a major war with the US.

In addition to making the Soviet Union less likely to sponsor a limited war, a strengthened UN would blunt the Soviet weapon of intimidation by the threat of its military power or that of Soviet-backed Communists. Non-Communist governments would be strengthened against Stalinist subversion, and consequently less fearful of the risk of provoking the USSR and more willing to unite against Soviet aggression. Therefore, Soviet attempts to gain its objectives without outright use of force -- such as giving support to local Communist parties and obtaining political concessions by threat of force -- will also tend to be less successful.

Charging that the US plan violates both the letter and the spirit of the Charter and as part of its attempt to block General Assembly action, the USSR has introduced two resolutions. These urge: (1) Five-Power consultations, and (2) rapid placing of armed forces under the Security Council

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as substitutes for the parts of the US-backed plan that would enable the General Assembly to recommend the use of armed force against aggression. By this tactic the USSR is attempting to draw support away from the strong US proposal and to substitute an apparently conciliatory resolution which the USSR would nullify in practice. (CONFIDENTIAL)

USSR completes three fourths of
the Mointy-Chu Railroad

"B"

The 418 kilometer railroad from Mointy to Chu in Central Asia appears to be about three quarters complete: rails and ties have already been laid on the completed sections of the roadbed and the reported completion of over six million cubic meters of earthwork probably indicates that little more remains for the last 100 kilometers of the job.

While this project is not urgent, it will provide an additional north-south route from the main east-west trunk lines of the USSR to Kirgizia and to the proposed future connections with Sinkiang. Immediately on completion, local coal and grain stocks can be supplemented by Karaganda coal and Western Siberian grain moving directly south on the new line rather than by drawing on Kuzbass coal through the roundabout Turkish-Siberian Railroad. The probabilities of increasing traffic with Sinkiang, the anticipated industrial growth of the Frunze area in Kirgiz, and the agricultural development along the Chu River are additional considerations which led the USSR to this investment.

The new project, when completed, will make the railroad network more flexible. There will be substantial improvement by the addition of this through line between the Urals-Tashkent and the Turkestan-Siberian routes, and the Karaganda coal basin can use advantageously the empty cars moving from the Tashkent and Turkish-Siberian lines north from Chu. (SECRET)

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EASTERN EUROPE

ALBANIA

"Nationalism" evident in Albanian factories

"B"

The virulence of anti-Soviet feelings on the part of workmen and factory managers in Eastern Europe is highlighted by the ironic news that even the industrial personnel of backward Albania dislike taking Soviet advice. At a meeting of the Communist Party Central Committee in August, Interior Minister Shehu attributed shortcomings in industry, particularly in the chrome, copper and bitumen mines and in the Kucove and Patos oilfields, partially to "anti-Soviet tendencies." Major General Spahiu, one of Premier Hoxha's closest collaborators, elaborated on the theme, denouncing the anti-Soviet behavior of both non-Communist and Communist employees. The first groups, according to Spahiu, accept the Regime and applaud its anti-Tito and anti-Greek line, but fail to appreciate the benefits of Albania's status as a Soviet Satellite. The more dangerous second group -- the Communists -- accept the Party line in principle, but in practice often oppose Soviet technicians and advisers. Spahiu cited examples of such behavior in industry, and said that similar cases could be found in communications and construction. Spahiu singled out as examples: (1) the trade union representative at a shop who disputed the Soviet engineer-advisor's dictum that socialist emulation would increase production; (2) the director of a shoe factory who refused to pattern his shoes after Soviet models; and (3) the factory manager who occasionally ventured to disagree with the plant's Soviet advisor.

In their efforts to cope with the problem, Albanian leaders seem to have contented themselves with issuing warnings, in the hope of avoiding a serious flare-up, and of retaining the services of their hostile employees. Thus far they have not resorted to measures, employed elsewhere in

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the orbit, such as putting outstanding recalcitrants on trial, or replacing outspoken critics with more malleable Party members. Eventually, however, such steps may prove necessary. (SECRET)

BULGARIA

Bulgarian provocations grow in intensity

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Two hostile international incidents of greater than usual import, provoked by Bulgaria, evidence clearly the Soviet intention to exploit to the maximum the latter's traditional difficulties with adjoining anti-Soviet countries. Since the establishment of complete Kremlin control of Bulgaria in 1946, the USSR has dictated a Bulgarian foreign policy of relentless pressure against Greece, Turkey, and, since 1948, Yugoslavia. The constant "paper" barrage, through propaganda media, diplomatic interchanges, and UN protests, has been fortified by hundreds of relatively minor border provocations.

Bulgaria, by its recent demand that Turkey immediately repatriate 250,000 Bulgarians of Turkish ancestry, may not only confront Turkey with a serious economic problem, but also, it has already stirred to even greater pitch the popular hatred in Turkey of Bulgaria as a potentially dangerous outlaw nation. Although the Turkish Government is willing to repatriate its minorities in Soviet-controlled countries, Turkey cannot comply literally with the unreasonable conditions of the Bulgarian demand in the interests of its own national security and economy. Since Bulgaria has despite Turkish protest, consistently poured across the border hundreds of refugees not properly documented or entitled to Turkish entry, probably liberally sprinkled with Communist agents, Turkey has been forced to close its Bulgarian border to all immigrants. The situation is made even more dangerous by the fact that Bulgaria refuses to readmit unqualified immigrants, many of whom are presently in Greek territory where the three countries adjoin.

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Popular resentment against Bulgaria has also been aroused anew in Greece by Bulgarian occupation of an island on the Greek side of the Maritsa (Evros) River which marks a part of the international boundary. The Greek Government has protested to the United Nations that the Bulgarians are fortifying the island and building a dam to the Bulgarian mainland to divert the river farther into Greek territory thus placing the island in Bulgarian territory. A meeting on the island between Bulgarian and Greek representatives, the latter accompanied by representatives of the UN Balkan Commission, resulted in the usual Bulgarian subterfuge -- agreement to submit the Greek protest to Sofia. A Bulgarian officer informed the Greeks that he had instructions to protect the Bulgarian "peasants" working on the island and to fire upon the Greeks if necessary. (SECRET)

Bulgaria claims significant increases
in collectivization

"B"

Propaganda claims of significant increases in the number and size of cooperative farms portends the relentless advance of the Communists in Bulgaria toward destruction of the last vestiges of individual rights -- private ownership of land. A boastful Liberation Day speech and subsequent radio broadcasts claim increases during the first nine months of 1950 to a total of 2,375 collective farms embracing 1,847,113 hectares. Gains during this period represent a 229 percent increase over the entire acreage collectivized during the first four years of Communist control of Bulgaria.

The Bulgarian Government has taken full advantage of two major movements of population to seize control of land. According to immigrants who have already entered Turkey following Bulgaria's demand that Turkey repatriate 250,000 of the 750,000 Turkish minority in Bulgaria, all prospective immigrants must dispose of their holdings in Bulgaria before the Government will furnish exit visas. Since the Government has forbidden Bulgarian citizens to purchase Turkish-owned property, Turks are forced to abandon their

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land to the State. The desire of the overwhelming majority of Turks to escape from Communist control has doubtless prompted many thousands to allow their land to be confiscated in the hope of being permitted to leave the country. Within the past three months, the Bulgarian Government made another lucrative land grab by forcibly evacuating, on a few hours' notice, a large number of peasants deemed politically unreliable from areas adjoining the entire length of the Yugoslav border.

It is possible that the land appropriated by the above methods and that being "voluntarily" joined to collectives by the steadily increasing number of peasants who are faced with the alternative of the labor brigade or the concentration camp may actually approximate the claimed figure. However, in view of the lack of trained management personnel, it is doubtful whether the organizational work necessary for establishment of collective farms could have been completed within the short time claimed. This could seriously hamper fall plowing and sowing operations which are vital for insuring the people's bread. (SECRET)

Sowing of winter bread grain lags in Bulgaria

"B"

Bulgarian peasants, who normally have completed autumn sowing operations by mid-September, have purposely delayed plowing and sowing this year because of prevailing conditions resulting from drought. Despite Government pressure to complete sowing by early October, the majority of peasants refused, and have been waiting for sufficient rain to provide adequate soil moisture, which is necessary to realize a high percentage of seed germination.

Sowing could be delayed until mid-December without significantly reducing winter grain production. This would avoid the loss of valuable seed grain should the drought extend into freezing weather. State officials, however, were anxious to fulfill the sowing plan 100 percent by the extended dateline of 10 October. Therefore, despite unfavorable

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agro-climatical conditions, the Government has mobilized draft power and organized mass sowing brigades in the grain areas to complete the sowing.

It is too early to determine what effect this Government action will have on the 1951 grain production. However, should the present dry conditions extend until freezing weather sets in, retarding germination of the seed until Spring, the overall seed germination percentage may be low. If this happens, a serious bread grain shortage could result in severe rationing or even importing to supplement indigenous production. (CONFIDENTIAL)

CZECHOSLOVAKIA

Outlook for Catholic Church in Czechoslovakia
extremely dark

"C"

After a relatively quiet summer, a renewal of high-level public attacks against the Catholic hierarchy in Czechoslovakia serves to draw attention to the slow but serious weakening that the Catholic Church in that country has experienced since last winter.

The Communists in Czechoslovakia (as in all Eastern European countries where the Roman Catholic Church is predominant) face two basic problems in their anti-Church campaign: (1) the task of destroying the Church in its role of a hard-core opposition organization, and (2) the handling of religious sentiments of the people as a whole -- sentiments which are antipathetic to Communist ideology and rule and which are aroused by too-open and high-handed treatment of the Church organization.

The Czechoslovak Communist regime had virtually succeeded in neutralizing and silencing the Church organizationally by the winter of 1949-1950. This was accomplished by isolating the important leaders and suppressing Church publications and through the use of propagandistic condemnation

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and intimidation. The Communist attack on the second problem has been marked by a cautious approach on a long-term basis, and has not been characterized by any mistakes such as direct attack on religious beliefs and sentiments as was the case with the anti-religious campaign in the early days of the Soviet Union. The immediate Communist aim is not to destroy religion, but rather to harness it to the Regime by gradual transformation of the Church into a de facto propaganda organ.

The Czechoslovak Communists have registered considerable but slow and undramatic progress along these lines. By controlling appointments and subverting religious education, the Communists hope to reconstitute the Church into a pro-Regime organization. Intransigent priests have frequently been arrested, so that today a definite shortage of priests apparently exists, and many parishes are without religious guidance, a particularly important factor in rural areas. Finally, and probably most important, the remaining priests are being required to endorse, support, and in some instances propagate various portions of the Communist program, under the provision of the oath of allegiance administered to them last January. The most notable example of this "cooperation" has been clerical support for the "peace" campaign.

These various efforts, not decisive yet cumulatively powerful, have destroyed the Church's ability to mobilize public opinion in opposition to the Government, and are estimated to have made serious inroads into the organizational cohesion of the Church. Further, the tactics of the Communists do seem to lead eventually to the establishment of a pro-Regime Church, giving the Government additional control over popular attitudes and opinions. (SECRET)

HUNGARY

Hungary's inflationary problem still unsolved

"B"

It has not been possible to balance the Hungarian

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economy with respect to both the needs of the huge investment program and the demands of consumer purchasing power. The result is a continuing inflationary situation. Anti-inflationary measures have proven only temporarily satisfactory. Government realization that subscriptions to the current 750 million forint loan will not sufficiently reduce the excess purchasing power is a contributing factor in the reimposition of food rationing which was announced on 8 October.

An inflation of the present magnitude can be kept in check by state economic controls. However, the measures which must be employed are a constant source of popular dissatisfaction and they force adjustments in Government economic plans. (SECRET)

POLAND

Polish Government continues bitter anti-US campaign

"A"

With the recent opening of a trial in which the former leaders of the wartime underground organization, WIN, are accused of espionage and treason, the campaign motivating the series of trials held during the past few months seems to be reaching its climax. The present trial is almost entirely designed to prove that the US has engaged in nefarious activities hostile to the Polish state.

Previous trials, such as that of Sliwinski, a Polish citizen who had served with the RAF during World War II, of Father Ilinski, a Polish priest, and of Count Jan Zamoyski who was a former member of Polish aristocracy, have all contained references in one form or another to alleged illegal US activities in Poland. The current WIN trial goes much further in its accusations and is receiving full flamboyant treatment in the Polish press, but still has not resulted in involving any Americans on duty in Poland. The evidence given by the Polish Government, at the trial, if believed

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by the population, blackens the reputation of the US, and could be used as additional justification for future demands for a reduction in the Embassy's staff.

By selecting such a varied assortment of defendants, the Government is also pointing out to the average Pole that he should not risk association with Westerns and must be very circumspect about which Poles with whom he associates since traitors are to be found in all strata of society.

The effect of these trials will be to reduce all Western contact with the urban population to a minimum, and will heighten the feeling of distrust among Poles themselves.
(CONFIDENTIAL)

RUMANIA

Strengthened Rumanian foreign ministry
will concentrate pressure on US

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The recent appointment of two new assistant Rumanian Foreign Ministers is probably intended to tighten discipline within the Foreign Ministry, insure more effective implementation of Moscow policies, and stiffen Rumanian policy toward the US as well as possibly the entire West. The measure is also probably the means of releasing Ana Pauker from active control of the Foreign office so that she may devote most of her time to other work. For some time Madame Pauker's energies have evidently been devoted to matters of more than local importance, although the exact nature of her activities is not known.

Avram Bunaciu, former President of the State Control Commission, will be the ranking Assistant Minister and effective head of the Ministry, the other two Assistants being Grigire Preateasa, formerly the sole Assistant Minister, and Ana Toma, formerly a Counsellor. Bunaciu is reportedly an

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MVD agent. An effective and ruthless organizer, he has been largely responsible for the liquidation of opposition elements in Rumania, and his influence has grown because of the brutal efficiency with which he carries out orders. Past exchanges between Western missions and the Foreign office have suggested that the Foreign Ministry has sometime disagreed with the State Security forces on the program of repressive measures against Western missions; presumably under Bunaciu the Foreign Ministry will work more closely with the State's police organs.

That the US will bear the brunt of the Foreign Ministry's pressure is indicated by the fact that pressure on the US has never relented, while the British, French and Italians are enjoying a period of relative relaxation; and also, by the fact that in the past few months the propaganda campaign against America has reached new heights of vituperation. The recent preparations by the secret police to brand Sgt. Fliasher of the US Army Attache's office as a spy indicate that a new diplomatic flare-up is in the making, which may lead to demands that the present Army Attache leave Rumania. (CONFIDENTIAL)

YUGOSLAVIA

Evolving Yugoslav policies to facilitate cooperation with the West

"A"

Yugoslavia's official attitude toward the West has perceptibly improved during the past year, at least in its outward manifestations. Although this tendency first became manifest late in 1949, the implications of the Korean war and the current Yugoslav economic setback have accelerated this favorable trend. It must be assumed, partly on the basis of public and unofficial Yugoslav statements, that this steady if gradual progress of Yugoslav policy in the direction of greater cooperation with the West and a more critical attitude toward the USSR has not proceeded without arousing doubts and confusion among many convinced Yugoslav Communists.

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There are indications that within the top leadership of the Yugoslav Communist Party there exist deep-seated differences of opinion and varying degrees of Marxist orthodoxy which have to be reconciled with the logic of Yugoslavia's insecure position. With Yugoslavia facing a critical economic phase and possibly dangerous repercussions on the stability of the Regime, the Yugoslav leaders are, nevertheless, obliged to make concrete decisions increasingly at variance with their "world outlook" as orthodox Communists. While any shifts in the Party line have probably required considerable tailoring to suit the temperament and outlook of Tito's leading subordinates, it is doubtful whether resistance to such changes would lead to a serious split among the top Yugoslav rulers.

Tito has so far revealed a high degree of cautious realism in adjusting Yugoslavia's policies as an independent Communist state. Events have, by and large, proved a strong stimulus in favor of strengthening Yugoslavia's relations with the West and adopting measures designed to assuage unfavorable Western opinion. There has been noticeable improvement in Yugoslavia's dealings with Austria, Italy and Western Germany; despite the existing impasse in Greco-Yugoslav relations, there are signs that further efforts at a rapprochement are likely to be made. The Korean aggression, which came as a shock to Communists and non-Communists alike, has probably completed Yugoslav disillusionment with the Kremlin and strengthened Yugoslav adherence to the UN.

During the past year there has also elapsed sufficient time in which to elaborate a Yugoslav version of "democratic socialism" which, theoretically at least, would permit far greater flexibility than the Soviet brand. In fact it now stresses the possibility of coexistence of independent Socialist and Capitalist states. Through its recent initiative in inviting leading European Trade Union and Socialist leaders freely to inspect the Yugoslav experiment, the Belgrade government has extended its interpretation of "Communist-Socialism" to the point where it appears somewhat less alien to the contemporary West European scene. The evolution in Yugoslav theory and

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practice, therefore, which has occurred since the Cominform break has probably removed some of the obstacles to freer intercourse between doctrinaire Yugoslav Communists and the non-Communist West. (CONFIDENTIAL)

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