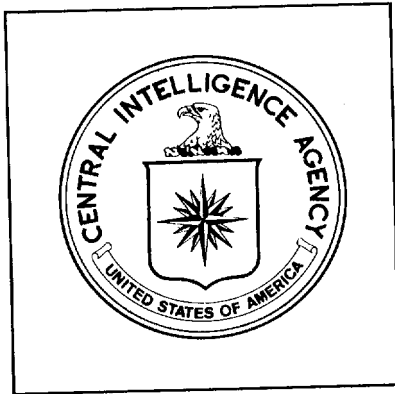


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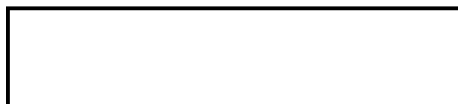
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# Soviet Union-Eastern Europe

## STAFF NOTES

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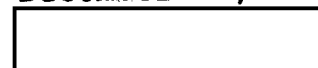


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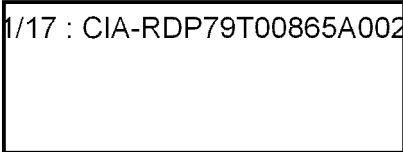
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**SOVIET UNION - EASTERN EUROPE**

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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USSR-US: More on Schlesinger Dismissal

In a recent assessment of the dismissal of Secretary of Defense Schlesinger, a USA Institute official concludes that US adherence to detente with the Soviet Union will probably be substantially unchanged.

The author of the article relies heavily on the American press to make his points. Using numerous quotes, he points out that President Ford probably wished to strengthen his position on the eve of the election campaign, but he places the burden of the dismissal primarily on Schlesinger's attitude toward detente. The former Defense Secretary is called a "stubborn opponent" of detente who had attempted to use the "old bugaboo" of national security to block arms limitation agreements. The Soviet author also alleges that Schlesinger's "noise" against defense budget cuts contributed to his downfall. The removal of the Defense Secretary is seen as a victory for Secretary of State Kissinger and a reflection of the President's desire to "move further down the path of detente."

The article warns, however, that the installation of Secretary of Defense Rumsfeld does not mean that the Pentagon will change its position on detente. The new Secretary and his predecessor are seen as holding similar ideological views of the world, and White House denials that Rumsfeld would follow a softer line are underlined. The author ends by pointing out the President's pledge to continue US foreign policy unchanged and to continue trying to reach a second SALT agreement with the Soviet Union.

The USA Institute official's article cautiously replays, with only slight distortions, the discussion in the US press of the significance of the cabinet changes. The former Defense Secretary is, however, tied directly to the obstacles in the way of a

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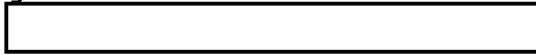
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new SALT agreement. The article, moreover, identifies more clearly than did initial Soviet coverage of the personnel change, the views of the new Defense Secretary with those held by Schlesinger. This portrayal of Rumsfeld as a "hardliner" may reflect a Soviet need to maintain the Pentagon as a believable scapegoat for US actions that Moscow does not approve.

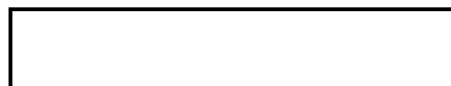
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USSR/CBMs

Moscow is still perplexed over how to respond to the military-related "confidence-building measures" approved at the European security conference. In a conversation with US, British, and French diplomats on Monday, Roland Timerbayev, a Foreign Ministry official concerned with arms control, confirmed that the Soviet government has not yet decided how to deal with the issue. Timerbayev seems to hold a responsible position in the Soviet arms control bureaucracy and has given an accurate view of Soviet concerns in this area during previous conversations with Westerners.

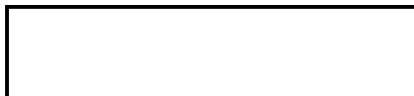
Timerbayev advised the West to "prod" the Soviets on confidence-building measures. This highly unusual step suggests strongly that there is a controversy over the subject within the Soviet bureaucracy and that Timerbayev is looking for outside support. He suggested, however, that the West delay the prodding until after the Soviet party congress, when the Soviets will presumably be less sensitive to outside "interference."

During the negotiations leading to the European security conference, the Soviets opposed most confidence-building measures; the most important of these is the provision for advance notification of military maneuvers which meet certain criteria. The Soviet side succeeded in inserting language into the conference document to the effect that adherence to the confidence-building measures is voluntary. There is, however, considerable tacit pressure on Moscow to preserve the facade of detente by not entirely rejecting these measures.

So far, Moscow's response to Western implementation of confidence-building measures has reflected its mixed feelings on the issue. The Soviets

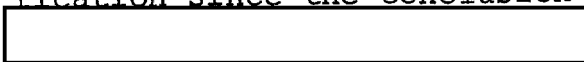
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did not subject NATO's observance of the confidence-building measures to the same intense criticism they directed at NATO's autumn exercises themselves. Moscow has not accepted any of NATO's invitations to send observers to exercises--another confidence-building measure--but has not rejected the invitations outright. The Warsaw Pact has not provided notification of any of its exercises, but has apparently not conducted any that meet the threshold for notification since the conclusion of the conference.

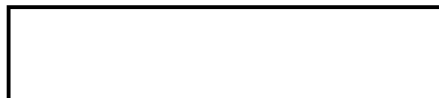
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Soviets Acknowledge Aid to Angola

The Soviet central press has, for the first time, indirectly admitted that both Moscow and Havana are providing military support to the Popular Movement in Angola.

Earlier this month *Pravda*, in reporting on a press conference held by President Nyerere in Brussels, cited the Tanzanian President's statement that he was "certain" the USSR was providing the MPLA with the "necessary arms" for its struggle against the "interventionists" from South Africa. In an accompanying commentary, *Pravda* stated inter alia that the Soviet Union, which stands "among the loyal friends" of the Angolan people and which was one of the first to welcome the birth of an independent regime, "is providing help and support to Angola during these difficult days."

Last weekend, moreover, the Soviet news agency Tass took the unusual step of publicizing MPLA leader Neto's expression of gratitude for Moscow's "all-round help" to the Angolan people. At the same time, *Pravda* provided the first hint seen thus far in the Soviet press that Cuba is furnishing substantial assistance to the MPLA. The communist party daily said that Cuba "always supported all national liberation movements in Africa, including the MPLA--the sole legitimate representative of the Angolan people."

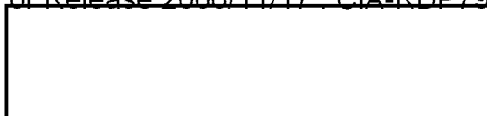
Moscow's decision to make public, even in an unofficial way, its role in Angola coincides with recent MPLA gains in the military and diplomatic arena and suggests that the Soviets may want to get their fair share of the credit for these successes. The decision also dovetails with recent revelations in the American press of allegedly substantial US support for the MPLA's rivals; hence, the Soviets may now feel less compelled to mask the dimensions of their own involvement.



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Soviet Grain Transshipment Plans Expand

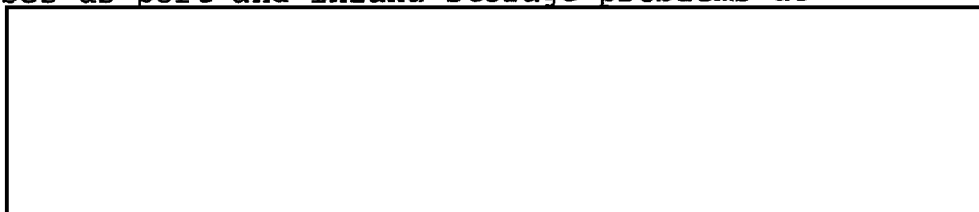
The Soviet Union is planning to transship nearly 7 million tons of grain next year through West European ports, which is about 25 percent of estimated Soviet grain purchases. Deliveries through Antwerp and Hamburg amounting to 5 million tons will begin in early spring and continue through the end of 1976.

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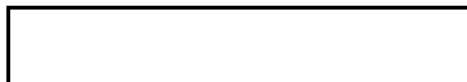
Acquisition of storage and handling space at these ports will help the Soviets control the flow of grain to congested Soviet ports. These West European ports can handle larger ships than most Soviet Baltic ports, allowing transshipment to smaller ships or inland transport for delivery to the USSR. The Soviets may use their smaller ships for temporary floating warehouses as port and inland storage problems develop.

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Sihanouk Visits Romania

Cambodian Prince Sihanouk's visit to Romania last week was long on atmospheric but short on substance. The two most significant developments--from the Romanian viewpoint--were the agreement for Bucharest to open an embassy in Phnom Penh and public Cambodian endorsement of observer status for Romania at the nonaligned summit in Colombo next year.

No new accords were signed. This may reflect Sihanouk's limited mandate which, according to the embassy in Bucharest, did not even permit him to extend an invitation to Ceausescu for a return visit. Sihanouk did, however, hold private talks with Ceausescu, Premier Manescu, and party secretary Uglar. Sihanouk's public rhetoric was subdued and stood in marked contrast to the anti-American pronouncements made by North Vietnam's Le Duan during his visit to Bucharest last month.

The final communique notes that the "experience of socialist Romania is followed with particular interest by those developing countries which have opted for the flourishing of their economic-social independence." This language clearly implies the existence of a Romanian model for socialism and is a new twist to Bucharest's communique repertoire.

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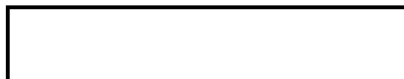
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Intellectual Dissidents In Poland

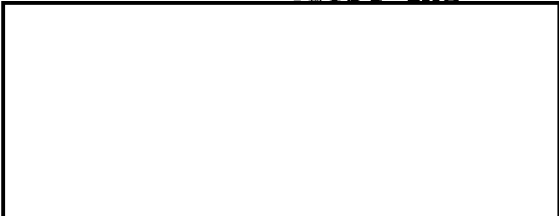
A Reuters report from Warsaw on Tuesday claims that 59 intellectuals have signed a manifesto protesting proposed amendments to the Polish constitution and calling for increased civil liberties and a more independent role for the trade unions. One of the signers of the document says it was sent to a number of party and government leaders.

The manifesto is the most recent example of increased political activity by a small group of intellectuals, many of whom were involved in the student disturbances of 1968. The US embassy reported last month that a group of dissidents had sent a memorandum to party leader Gierek and Premier Jaroszewicz demanding constitutional rights, including the right to strike and freedoms of assembly and religion. The same people were probably responsible for an open letter congratulating Soviet dissident Andrei Sakharov on his Nobel Peace prize.

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 the dissidents are careful to confine themselves to petitioning and similar actions that are technically not illegal.  the police have made it clear that they are watching the group and that a false step could finish them.

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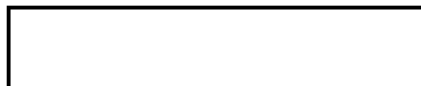
Increased activity by dissidents could be embarrassing but not dangerous to Gierek. Discontent among workers over shortages of consumer goods is a much more immediate problem, and it is highly unlikely that the intellectuals could interest the workers in their cause. 


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Bulgaria: 1976 Economic Plan

In contrast to scaled-down Soviet economic goals for next year, there will be virtually no slowdown in Bulgarian growth, according to the ambitious economic program that Sofia announced on December 4.

Next to Romania, Bulgaria's annual economic growth rate is the highest in Eastern Europe, and the regime has not lowered its sights for 1976. Targets in almost all sectors remain high, and some have increased slightly over 1975. Agriculture is the main exception; last year's ambitious goal of a 9.3 percent growth has been trimmed to a rise of only 5 percent. The growth rate of public services will also drop slightly next year.

Despite this modest cutback, the 1976 outlook for consumers is favorable, and the government has promised to make more goods available. The Bulgarian public has experienced a slow but steady rise in the standard of living for several years, and Sofia has reaffirmed its commitment to concentrate on "the further satisfaction of the people's growing needs." There will probably be some rise in prices for consumer goods, however, as Premier Todorov suggested in a speech last August.

To achieve its goals, the regime is stressing "labor productivity" coupled with "labor discipline." An intense campaign against "idlers" and marginal workers began last February and has been a mainstay in the drive to whip up popular enthusiasm for overfulfillment of the plan before the party congress next March. Premier Todorov, in his speech introducing the 1976 plan, asserted that practically all of the 1976 growth in industrial output and in agriculture must come from increased labor productivity. He declared that strengthening of

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labor discipline is an "immediate obligation," and added that violators of working discipline will be denied those privileges and benefits given conscientious workers. The regime has also called for more shift work, modernization, and capital investment in new equipment to stimulate the economy.

Todorov reported that the regime had developed a "new economic mechanism," which features a greater role for the central government. For the first time, the 1976 plan establishes obligatory production indexes on a territorial basis. Although Todorov provided few details, these indexes are probably designed to minimize uneven economic development in various branches of the economy. He added that Sofia will demand unconditional implementation.

According to preliminary estimates, all economic sectors except agriculture met or overfulfilled their established quotas for 1975. Sofia will probably repeat this successful performance in 1976, but will still depend heavily on the Soviets, especially for fuels and materials. Despite Moscow's veiled warnings that its allies must either wean themselves from such dependence or share development costs, Bulgaria will probably continue to receive preferential treatment not accorded other East European countries. For example, the Soviets may have offered Bulgaria technical assistance under terms of an agreement that calls for Moscow to supply 120 complete plants worth over 900 million rubles from 1976-80.

Sofia seems relatively unconcerned about higher Soviet prices for raw materials--particularly for oil--and Moscow has reportedly assured adequate supplies at least through 1976. The Bulgarians also view the Soviet Union as a guaranteed market

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for the country's industrial output--often of inferior quality and thus not competitive in the West--though Moscow has warned that the quality of Bulgarian exports must improve. In return for Soviet help, Bulgaria may have to participate in more development projects in the Soviet Union. In addition, Sofia will probably send more Bulgarian workers to the USSR, despite a chronic labor shortage at home.



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