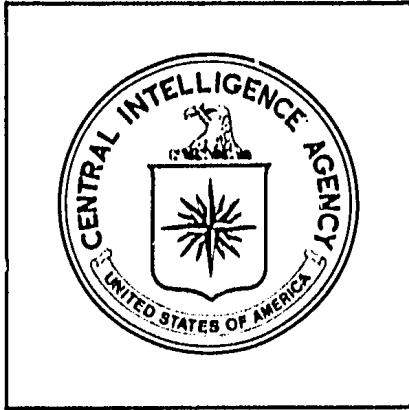


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# STAFF NOTES:

## Soviet Union Eastern Europe

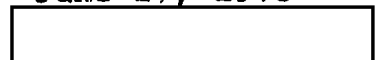
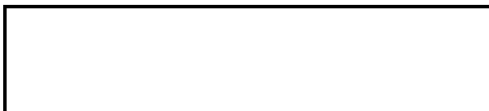
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SOVIET UNION - EASTERN EUROPE



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Romania and Portugal Sign Friendship Treaty

Portugal and Romania signed the first friendship treaty between a NATO and a Warsaw Pact country during the visit to Bucharest of President Costa Gomes from June 13 to 16.

The 13-article document stresses national independence, sovereignty, and similarities between the policies of the signatories and the nonaligned world. It bears a striking resemblance to a treaty signed in late May between Bucharest and Pyongyang, when North Korean party boss Kim Il-song visited Romania.

President Ceausescu heralded the treaty as "the first of its kind between friendly countries that belong to different military blocs." Indeed, the accord is the first between a NATO member and an East European nation since the conclusion of the Balkan Pact between Yugoslavia, Greece, and Turkey in August 1954.

The final communique summarizing the talks points out that Romania and Portugal as developing nations, have much in common. It also stresses the usual themes of the nonaligned countries--the need to overcome the gap between developed and developing nations, concern over de-colonization, and the desirability of a new political and economic order in international relations.

The two sides signed long-term trade, economic, technical, and scientific agreements. In addition, they agreed to establish a joint commission to develop new forms of economic and industrial cooperation.

On the heels of the Gomes visit--on June 17--the Romanian chief of staff, Colonel-General Coman,

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began a six-day visit to Portugal. Coman's trip takes place four months after General Fabiao, his Portuguese counterpart, visited Romania. Fabiao later spoke enthusiastically about his trip, and praised the civic action role of the Romanian army in society.

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Hungary: Damping Expectations

Party leader Kadar made a strong effort in his election speech last week to prepare the Hungarian people for slower improvements in the standard of living over the next several years.

Kadar frankly acknowledged that "capitalist inflation and the rise in raw material and energy prices" are causing difficult problems and called for more efficient use of raw materials, equipment, and work time. He also emphasized the need for national unity and cooperation between Communists and non-Communists.

He rejected "unrealistic" increases in consumer income and projected annual real income growth at 3-3.5 percent "for the next few years." This figure is about one percent below what Kadar had projected in March. Final projections for the Five Year Plan have apparently not yet been completed.

The party chief appeared to reject any cutback on Western trade, despite Budapest's large trade deficit with the West. He said Hungary carried on one third of its foreign trade with the West "necessarily," and "not as a matter of decision."

In an apparent slap at the Soviets, Kadar failed to give the ritualistic bow to economic aid from Moscow. At the party congress in March--with Brezhnev attending--he had explicitly thanked the USSR and Brezhnev for helping Budapest solve its raw material and energy supply problems. The omission may well be the result of the earlier-than-planned price increases for Soviet raw materials imposed by Moscow, which has compounded Hungary's economic problems.

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Bumper Grain Crop Likely  
in Eastern Europe

We estimate that grain production in Eastern Europe--excluding Yugoslavia--will reach 81 million tons this year, compared with 75 million tons in 1974 if favorable weather conditions prevail during the remainder of the growing season and harvest. Grain imports, mostly for feed, will reach 8 million tons in fiscal 1976, only 5 percent less than the previous year.

The southern countries of Bulgaria, Hungary, and Romania--the major grain exporting region--will account for the jump in output. Spring rains relieved drought conditions in Bulgaria and Romania. The soil moisture level is still low in Bulgaria, and normal summer rainfall is needed to push crop yields to near the 1972 record level.

On a visit to Bulgaria in late May, Under Secretary of Agriculture Campbell observed that the important winter wheat crop was in excellent condition, but that the corn was either planted late or stunted by cool weather. Although crop conditions are good in Romania, it is unlikely that this year's ambitious harvest target--20 million tons--will be met. On about the same amount of land, Romania produced a record 17 million tons of grain in 1972.

Crop conditions are also good in Hungary, and we expect that wheat and corn production will match last year's output with a reduction in acreage offset by higher yields. Output of barley and other grains will increase.

Grain production in the northern countries--Czechoslovakia, East Germany, and Poland--will approach last year's record. Last fall's sowing was

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interrupted by heavy rains and as much as 500,000 to 600,000 hectares normally sown with winter wheat had to be sown with lower yielding spring grains. Only East Germany fulfilled its fall sowing plan.

April rains slowed spring planting in Czechoslovakia, but no major problems were reported by East Germany or Poland. To boost production levels in the north and reduce expensive grain imports, meadows, pastures and other marginal land were sown with spring grains, mainly barley. East Germany will harvest its second bumper crop in a row, almost 10 million tons. We expect that the harvest in Czechoslovakia and Poland will fall below last year's level.

25X1 The southern countries will export most of their increased output, and the remainder will be used to replenish drought-depleted stocks. Almost all of the 8 million tons of grain that will be imported will go to the northern countries. The main sources of supply will be the Soviet Union and the US.

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CHRONOLOGY

June 10

Brezhnev confers with visiting Czechoslovak officials, who present him with a medal in his first official public activity since May 9.

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Politburo member Kirilenko speaks at Leningrad in behalf of his candidacy for the RSFSR Supreme Soviet.

25X1

Council of Ministers convenes in Moscow to review the "main directions" of a draft of the USSR's tenth Five-Year Plan (1976-80).

25X1

North Korean party/state chief Kim Il-song returns to Pyongyang after an extended trip that included visits to Romania, Bulgaria, and Yugoslavia.

25X1

Luxembourg Grand Duke Jean concludes a six-day, state visit to the USSR.

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Deputy Premier Lesechko concludes a five-day, official visit to Czechoslovakia.

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East German party chief Honecker confers with visiting Soviet Deputy Premier Tikhonov on prospects for improved bilateral economic cooperation.

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June 11

Premier Kosygin makes his speech at the Bolshoy Theater in Moscow as a candidate for the RSFSR Supreme Soviet.

25X1

Soviet and Japanese representatives conclude three days of economic cooperation talks in Tokyo; Japanese involvement in the Tyumen oil project now appears unlikely.

25X1

Hungarian Foreign Minister Puja begins a three-day, official visit to West Germany.

25X1

Czechoslovak party secretary Kempny concludes an official visit to East Germany.

25X1

Wife of prominent Soviet dissident physicist Andrey Sakharov reports that he suffered a heart attack last week.

25X1

Burmese Deputy Premier U Lwin concludes a one-week, official visit to the USSR.

25X1

Romanian President Ceausescu concludes a five-day, state visit to Mexico and flies to Washington to confer with President Ford, a number of Congressmen, and leaders of the Jewish community in the U.S.

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East German Premier Sindermann begins a five-day, official visit to Yugoslavia.

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- June 11 Portugal announces that President Costa Gomes will make a state visit to the USSR in the fall. [redacted] 25X1
- Secretary of the Air Force McLucas concludes a three-day, official visit to Yugoslavia. [redacted] 25X1
- June 12 Deputy Premier V. Novikov confers with FRG Chancellor Schmidt, concluding a four-day, official visit to Bonn highlighted by a meeting of the Soviet - West German economic commission. [redacted] 25X1
- Bulgarian Deputy Premier Z. Zhivkov goes to Hungary for a meeting of the bilateral commission on economic cooperation. [redacted] 25X1
- EC Commission President Ortoli begins a four-day, official visit to Yugoslavia. [redacted] 25X1
- Warsaw Pact Commander in Chief Yakubovskiy concludes an official visit to Bulgaria. [redacted] 25X1
- Romanian President Ceausescu, en route home from the US, confers with UK Prime Minister Wilson. [redacted] 25X1
- President Podgorny makes his speech at the Bolshoy Theater in Moscow as a candidate for the RSFSR Supreme Soviet. [redacted] 25X1
- June 13 Brezhnev makes a nationwide radio-TV address from the Kremlin in behalf of his candidacy for the RSFSR Supreme Soviet. [redacted] 25X1

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June 13

Tass reports that Politburo candidate-member Ponomarev has conferred with visiting Israeli communist party leader Wilner. [REDACTED]

25X1

Representatives of 14 nations, including the US and the USSR, end five days of talks in Stockholm on prospects for enhancing international maritime cooperation. [REDACTED]

25X1

A Chinese military delegation begins an official visit to Romania. [REDACTED]

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FRG-GDR transit commission convenes. [REDACTED]

Portuguese President Costa Gomes begins a four-day, state visit to Romania. [REDACTED]

25X1

USSR launches Venus-10, which is scheduled "to reach the environs of the planet" in October. [REDACTED]

25X1

June 14

Romania and Portugal sign a friendship treaty. [REDACTED]

25X1

Yugoslavs open the trial of the Tuzla Cominformists. [REDACTED]

25X1

Vatican 'Foreign Minister' Archbishop Casaroli concludes a six-day, official visit to East Germany. [REDACTED]

25X1

June 15

Tass reports that Politburo candidate-member Ponomarev has met with visiting Lebanese Communist party chief Chaoui. [REDACTED]

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25X1

June 15

East German Premier Sindermann concludes a five-day, official visit to Yugoslavia. [REDACTED]

25X1

Parliamentary elections are held in Hungary and in the Soviet republics.

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Chatting briefly with reporters while voting in Moscow, Brezhnev says his summit visit to the US will be "after" the conclusion of CSCE, an event he expects to occur "in the near future."

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Chinese Premier Chou En-lai, who is in a hospital, confers with visiting Albanian Deputy Premier Carcani, the head of a high-level economic delegation. [REDACTED]

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June 16

Bulgarian party/state chief Zhivkov begins a five-day visit to Romania.

25X1

Polish Machine Industry Minister Wrzaszczyk, whose ministry presently is considering more than \$1 billion in potential imports from the US, begins an 11-day, official visit to the US. [REDACTED]

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Syrian communist party chief Bakdash concludes an official visit to Bulgaria. [REDACTED]

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US and Soviet delegations resume talks at Geneva on prospects for an agreement to curb modifications of the environment to gain military advantages.

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June 17

Romanian Foreign Minister Macovescu commences an official visit to Egypt.

[Redacted]

French President Giscard d'Estaing commences a four-day, state visit to Poland accompanied by Foreign Minister Sauvagnargues and Interior Minister Poniatowski.

[Redacted]

East German party chief Honecker is met by Brezhnev upon his arrival in Moscow for a brief visit.

[Redacted]

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FUTURE EVENTS

June 19

US and the USSR to begin two days of consultations in Moscow on Law of the Sea issues.

[Redacted]

[Redacted]

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June 20

US frigate Wainwright to begin a five-day, official port call at Constanta, Romania.

[Redacted]

[Redacted]

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June 23

SALT to resume at Geneva.

[Redacted]

East German Foreign Minister Fischer to commence an official visit to Denmark.

[Redacted]

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[Redacted]



June 23 Bulgarian party/state chief Zhivkov to begin a visit to Italy. [redacted] 25X1

June 24 Premiers of CEMA member-states to convene in Budapest for their annual meeting. [redacted] 25X1

June 25 USSR and a number of East European states to establish diplomatic relations with Mozambique on its independence day. [redacted] 25X1

June 26 Foreign Minister Gromyko to begin a four-day visit to Italy. [redacted] 25X1

late June Belgian King Baudouin to make a state visit to the USSR. [redacted] 25X1

Former West German Chancellor Brandt expected to go to the USSR on official business. [redacted] 25X1

June 30 Trinidad-Tobago Prime Minister Williams to begin an eight-day, official visit to the USSR. [redacted] 25X1

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[redacted]

July 2 Greek Prime Minister Karamanlis to begin a three-day, official visit to Bulgaria. [redacted] 25X1

[redacted]

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July 7            Trinidad-Tobago Prime Minister Williams  
to begin a six-day, official visit  
to Romania. [REDACTED]

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July 9            US and the USSR to resume talks on  
their Pacific Ocean fisheries prob-  
lems. [REDACTED]

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July 15           Apollo-Soyuz joint space venture to  
commence. [REDACTED]

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