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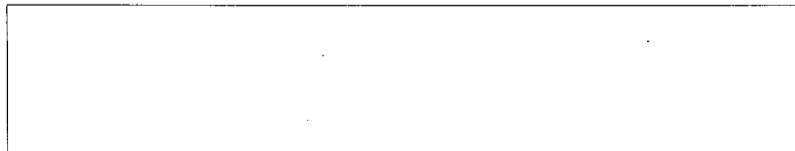
CURRENT INTELLIGENCE WEEKLY SUMMARY



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PART III

PATTERNS AND PERSPECTIVES

STATUS OF KREMLIN CONTROL OF THE SATELLITES

Moscow is faced with a dilemma in the Eastern European Satellites caused by its efforts to end intimidation as a means of control and obtain instead the voluntary co-operation of the Satellite populations. These moves--which in effect are an attempt to substitute more subtle for direct controls--have been interpreted by the Satellite peoples as indicating a weakening of Soviet controls and have only whetted their desires for concessions greater than the Kremlin has been willing to make.

After World War II, the Kremlin sought to develop through force and intimidation all the means necessary to prevent any Satellite regime from slipping the Soviet yoke and to preserve the Communist People's Democracies against possible overthrow by their dissident populations. Control was gained, however, only at the expense of the good will and co-operation of the Satellite populations and the stifling of initiative among local Communist leaders. Furthermore, the USSR failed to obtain the economic and political benefits which it expected from its domination of the Satellites.

After Stalin died, Moscow began to move away from intimidation and sought to develop active support for the Communist regimes among the Satellite populations by appealing to their self-interests and--particularly in Hungary and Poland--to their strong nationalist sentiments.

During 1953 and 1954, the drive toward the traditional goals of rapid industrialization, socialization of agriculture, and elimination of "class enemies" was temporarily shelved. Through this "new course", the Soviet leaders attempted to

rectify the growing economic imbalances which had lowered living standards and led to greater popular resistance.

To grant the Satellites an appearance of a greater degree of control over their own internal affairs, the Kremlin ostentatiously withdrew its outstanding reparations claims and sold back to various Satellite regimes its interest in most of the Soviet-Satellite joint companies. It condoned the tailoring of Soviet directives to fit the particular conditions within each Satellite. The Satellite regimes were also directed to attempt to improve trade and diplomatic relations with the non-Communist world.

The Kremlin has, however, strengthened its hold over Eastern Europe in less obvious ways. Since July 1953, the USSR has replaced its ambassadors to most of the Satellites with men who have had extensive experience in party or government administration, and who are presumably better qualified than Foreign Ministry specialists to serve as channels of Soviet control.

The joint Soviet-Satellite military command established at the Warsaw conference on 14 May 1955 was apparently set up primarily as a bargaining instrument to obtain the dissolution of NATO. It can be used, however, to legalize the extension of Soviet occupation of Eastern Europe while creating the appearance of increased Satellite sovereignty.

The increasing integration of the long-range economic plans of the Soviet Union and the Satellites will ultimately place the Satellite economies more

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effectively under Moscow's control than heretofore by reducing their self-sufficiency and tying their production plans more directly to the over-all Soviet bloc program.

There are a number of steps the USSR can take to further the semblance of Satellite independence without actually weakening its control. For example, the Cominform, long a symbol of Soviet domination but never in fact an instrument of control, could be abolished without cost to the USSR. The USSR could also withdraw some of its troops from Hungary and Rumania without either compromising its control over these Satellites or prejudicing its military position vis-a-vis Western Europe.

Gestures made since Stalin's death toward "liberalization" of economic and political programs, however, have not had the desired effect. Elements within some of the Satellite Communist parties--and particularly in the Hungarian party--seized on the Kremlin's recognition of the right of individual states to adapt Soviet experience to local conditions. This resulted in policies at odds with the traditional Soviet policy and in a serious loss of party discipline in Hungary.

The realization in Moscow that a continuation of this trend could not be tolerated was at least partially responsible for Malenkov's demotion in February 1955 and Hungarian premier Nagy's ouster in March. Kremlin leaders have since modified their manner of implementing this policy in order to re-emphasize the traditional goals, to tighten discipline within the parties, and to prevent further local deviations from the Moscow line. The Kremlin probably considered this especially necessary prior to any dramatic gestures toward Tito's Yugoslavia. There has

been no return, however, to the coercive tactics typical of the Stalinist period.

The rapidly unfolding Soviet diplomatic offensive of the past few months has aggravated Moscow's problems in Eastern Europe. The reaction of the Satellite people and party members to Soviet diplomatic moves has faced the Kremlin with the possibility that it might have to use force to maintain control. This, of course, would vitiate its efforts to ease international tensions and gain sympathy for Soviet policies.

Moscow's signature of the Austrian state treaty raised extravagant hopes among the Rumanians and Hungarians for the early withdrawal of Soviet troops. The widespread expectation among the Satellite populations that the West would demand a consideration of the status of the Satellites at the summit meeting gave rise to wild rumors and speculation that unpopular local officials would be purged, that free elections would be held, and that the Satellites would be granted a neutral status.

Local Communist leaders in the Satellites, particularly at the lower levels, have also been confused by the rapid shifts in policy. The Soviet recognition of the validity of the Titoist variant of Socialism has aggravated the problem of discipline within the ranks of the various Communist parties. Some top-level leaders are probably not only confused but fearful, especially since they have been closely identified with strong anti-Tito policies, which now appear to be proscribed.

Soviet leaders are extremely sensitive to this reaction and are taking strong measures to counter it. They took a firm stand against considering the status of the Satellites at the four-power conference. Most of the Satellite regimes are, under

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Kremlin direction, undertaking campaigns to strengthen labor discipline and heighten vigilance against both internal and external enemies. They are increasing their efforts to convince the populations that the United States is interfering in internal Eastern European affairs through subversive tactics.

The cautious publicity given in the Satellites to Khrushchev's acceptance of the Titoist alternative to the Soviet road to Socialism indicates that the Soviet leaders realize that this recognition must be carefully circumscribed in the Satellites lest it encourage nationalist deviation within the Satellite parties. At the same time, however, they must

gain consistent Satellite support for their new Yugoslav policy in order to solidify whatever success they have gained in their appeal to Tito for a genuine rapprochement. This has again raised the problem for the Kremlin of how to ensure Satellite compliance without exposing the naked machinery of Soviet domination.

The Soviet leaders probably believe that given sufficient time they can establish a more satisfactory relationship with the Satellites. During their talks with Tito in early June, Soviet leaders reportedly claimed that there would be a change in their policy toward the Satellites, but that time would be needed for this.

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