

14 November 1950

SUMMARIES OF TRENDS AND DEVELOPMENTS

USSR

1. <u>There are reports that the USSR, as of July 1950,</u> was attempting to import large quantities of benzol through communist trade organizations in Italy and France. There is a strong implication in this action that the USSR intends to give large-scale assistance to the military efforts of the Korean and Chinose communists, although this benzol is probably primarily intended for increasing the Soviet stockpile in anticipation of Soviet or other communist military efforts. (Page 7)

morgan The Soviet Union, although maneuvering to delay 2. referral to the General Assembly of the question of Chinese intervention in Korea, is expected to veto a six-power resolution calling for withdrawal of Chinese troops from North Korea. The USSR is also likely to introduce alternative resolutions such as a call for the withdrawal of "interventionist" UN troops and a proposal, at least for propaganda purposes. for a political settlement negotiated by interested powers including the Chinese and North Korean Communists. The Chinese Communists, scheduled to be heard before the SC in regard to charges of "US aggression" in Formosa, will attempt to link these charges with accusations of US bombings in Manchuria and US "intervention" in Korea as a threat to the security of China.

3. <u>The USSR will again become a major trading partner</u> of Iran under the \$20 million trade treaty signed 4 November. The Soviets will gain a substantial share of Iranian agricultural exports, as well as increased opportunity to counter

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American aid and to promoto the pro-Soviet orientation of that country. Together with the recent four-year treaty with Afghanistan and increased trade with Egypt, the Iranian treaty emphasizes the Soviet policy of strengthening its economic and political influence in the Near and Middle East.

4. <u>The shipment of 5080 kilograms of cobalt</u>, which was purchased from France by the English Company, Industrial Specialties Ltd. (See D/EE Weekly of 29 August 1950), is now reported to have been directed to Amsterdam and, after having been detained for two days by Dutch authorities, was transforred to a Polish ship, presumably bound for the Soviet Orbit.

4a. The USSR will continue to earn sterling in the UK through a new contract for the sale of 800,000 tons of grain a reduction from the amount received last year. As they have done in the past, the Soviets may use the proceeds anywhere in the sterling area, although the UK succeeded in avoiding specific mention of rubber and wool in the contract. The British are thus legally protected in case export controls should be extended to these commodities. However, the Soviets could still curtail shipments of grain to the UK if they cannot buy what they want with the sterling.

EASTERN EUROPE

5. <u>The tenor of information and propaganda commentaries</u> issuing from both public and clandestine sources in Albania

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reveals the growing sense of insecurity in Albania, although so far the Government has been able to intimidate and control the general population.

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BULGARIA

6. <u>New laws and cabinet assignments are designed to</u> safeguard Soviet control of Bulgaria.

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CZECHOSLOVAKIA

7. <u>The newly announced Soviet-Czech trade agreement for</u> 1951-55 is another important milestone in the integration of the Czech economy into that of the USSR. Inasmuch as Czech deliveries to the Soviet Union are to be limited to products of the metal-working industry, it is possible that Czechoslovakia will concentrate on production of armaments and allied industries.

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FINLAND

8. <u>The Finnish Cabinet has announced an economic</u> <u>stabilization program, subject to Diet approval, aimed at</u> <u>checking the current inflationary tendency</u>. Although the measures may be economically acceptable to both labor and employers, political considerations may require compromises. (Page 12)

9. Finland's foreign trade prospects will have been relatively undamaged by the pernicious political-aconomic events of the past nine months, if current stabilization

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attempts can find political concurrence under the present or another cabinet. In view of the large part played by experts in the Finnish economy, they will be of prime importance in the control of the labor-engendered inflation.

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HUNGARY

10. In his 27 October speech Hungarian Deputy Prime Minister Matyas Rakosi accused the Social Democrats, including such left-wing Social Democrats as ex-President Arpad Szakasits, and former Ministers Gyorgy Marosan, Istvan Riesz, and Istvan Kossa, of serving the British Labor Party and of receiving instructions from the British, American and Yugoslay intelligence organizations.

According to Rakosi, the British instructed the Hungarian Social Democrats to support the morger with the Communist Party in 1948 and to eliminate the right-wing Social Democratic leaders. These steps were allegedly taken by Szakasits and his colleagues to win the confidence of the Communists while they simultaneously created a fifth column in the united party. Apparently, the most imaginative Communists in Hungary were commissioned to undertake the almost impossible task of transforming these Social Democratic stooges into enemies of the people. Rakosi's explanation for their treacherous role lends further support to the belief that a major show trial will soon be held, which will follow this line and will probably involve the British government.

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11. <u>Double-tracking of the rail line along the south</u> shore of Lake Balaton in southwest Hungary has been reported. The fact that this line leads to Nagykanizsa, about ten miles from the Yugoslav frontier, might suggest that it is primarily

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for military use. This construction, however, is not necessarily a short term war indicator. It was called for, as were several other railway expansion projects, under the current Five Year Plan, and was foreseen by the earlier Three Year Plan of 1947, which allocated funds for a second track from Szekesfehervar to Szabadbattyan. This short line connects the South Balaton line to the already double-track main line into Budapest.

The military utility of the new construction against Yugoslavia and possibly Italy is undisputed, but it cannot be viewed as one of the counter-Tito measures planned by the Soviets in the current year.

POLAND

12. <u>The first public trial of national deviationists</u> <u>may be pending in Peland</u>. If such a trial is forthcoming, there will probably be a tio-up made between national deviation in the Pelish Communist Party, alleged anti-Pelish activities of the US, and connections between Peland's deviationists and Yugoslavia.

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13. Polish coal production is insufficient to meet domand. Exports to Denmark have been reduced for coming ' year and supplies for household consumption in Poland are very limited. The entire coal situation in Western Europe as well as in East Germany and Poland has shifted recently from a surplus to a deficit position as a result of expanding industrial needs, while planned production goals have not been met by large coal producing nations.

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SPECIAL ARTICLES

14. <u>The Communist Parties of Eastern Europe, through</u> various methods, are attempting to broaden the base of their popular support. The effect of this policy will be to strengthen Communist control over the most important social and economic sectors of Satellite life.

(Pago 17)

15. <u>Conduct of the elections for people's councils in</u> <u>Hungary and Rumania shows how the Communists exploit such</u> <u>events to</u> (1) symbolize the control they have already achieved over the contral Government and (2) extend their power throughout the country as a whole.

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EASTERN EUROPE

<u>USSR</u>

USSR attempts to import large quantities of benzol

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Recent reports indicate that the USSR, as of July 1950, was attempting to import large quantities of benzol through communist trade organizations in Italy and France. There is a strong implication in this action that the USSR intends to give large-scale assistance to the military efforts of the Korean and Chinese communists, although this benzol is probably primarily intended for increasing the Soviet stockpile in anticipation of Soviet or other communist military offorts.

The reports state that the Italcoop firm in Rome was given an order by the Soviet Embassy for delivery to the USSR of 50,000 tens of pure nitration grade benzel. Delivery was to be accomplished in quantities of 5,000 tens, shipped at regular intervals and completed within 90 days. Shipments were to be made to the USSR, where, it was stated, the benzel was to be used, among other things, for increasing the octane rating of gaseline. Italcoop passed this order on to the Dett-Corvissiane firm in Rome which was allegedly in a position to supply 20,000 tens, purchased from the Mercury Overseas Corporation, New York. In connection with attempts to procure further quantities of benzel, it was learned that a French communist trading organization (Cooperative Generale Francaise) was simultaneously attempting to secure even larger quantities of benzel for delivery to the USSR.

This is the first indication of Soviet attempts to import this strategic chemical from non-orbit countries, previous trade in this commodity having been from East to West. Soviet 1950 production of refined benzol is estimated at 171,000 metric tons, which is equivalent to about 36 percent

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of US 1949 production and which, it is bolieved, is ample for current Soviet peacetime requirements. The intended end use for this benzol, therefore, is almost clearly for military purposes, either for immediate conversion to military products or for increasing the Soviet stockpile in anticipation of demands for large quantities of these products. The most important military products derived from benzol would be high explosives, smokeless powder stabilizers, dyes for the manufacture of uniforms, nylon for parachutes, phonol and styreno for plastics, etc. The use of benzol for increasing the octano rating of gasoline is largely discounted since nitration grade is a more highly refined product than necessary for either direct blending or for conversion to cumene or othyl bonzono as blonding agonts for aviation gasolino. Howover, if the Soviets were successful in obtaining this quantity of nitration grado bonzol, increased supplies of industrial grade would be available from their own production facilities for the manufacture of avgas blending agents.

Another intention of this Soviet action might have been the disruption of the synthetic rubber program in the United States by proclusive buying. The supply of benzel in the US is extremely short, and if the Soviets were successful in purchasing a large part of Western Europo's expertable surplus of benzel, the synthetic rubber program in this country would be considerably hampered. (SECRET)

EASTERN EUROPE

ALBANIA

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Growing sense of insecurity ovident among Albanians 25X1X4

The tenor of information and propaganda commentaries issuing from both public sources in Albania reveals the growing sense of insecurity in Albania, although so far the Government has been able to intimidate and control

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the general population. The standard of living has not improved even though reports indicate that the USSR and Satellitos are pouring industrial and consumer aid into the country.

With the advent of stiffened, and correspondingly successful, UN efforts to halt aggression inspired by Soviet avarice, the Albanian Government probably fears that it will jeopardized by international action to the extent that it will become the tool of possible Soviet campaigns against Yugoslavia or Greece. In fact, Tito has threatened to bring the matter of serious frontier provocations by the Satellites before the UN. Also, he has recently closed the Albanian Legation in Belgrade and ordered the expulsion of legation personnel.

Albanian propaganda presents multiple examples of efforts by the Government to preserve the territorial status que in the face of alleged threats from Albania's enemies. Protests against armed provocations by the Yugoslavs and Greeks go hand in hand with a charge that the Italian Government has sponsored the illegal dropping of propaganda leaflets on Albanian territory. In official references the US bears the onus of backing all real and supposed attacks. (RESTRICTED)

BULGARIA

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Soviet neese tightened in Bulgaria

Now laws and cabinot assignments have been docreed by the Bulgarian National Assembly primarily to safeguard Soviet control over a population still realing from the effects of the vast purge of the Communist Party, the "voluntary" collectivization of about 30 percent of the arable land within ten months, and wholesale shifts of population to eliminate the Turkish minority and to clear border areas of unreliables.

Drastic tightening of the Soviet hold on products

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of the Bulgarian economy is indicated by the establishment of a "State Supply and Warehousing Administration" whose chairman is given cabinet rank. An additional law provides for "greater protection of property belong to the State and cooperative organizations." A bill on exploitation of forests establishes full State ownership of all forest land and abolishes private ownership.

The Kromlin, however, is still trying to maintain the ostensible authority of the Bulgarian Communist Party to offset the ruthless coercive measures taken to insure Soviet control of Bulgaria in the event of war. Boris Chankov, Soviet-trained organization boss, has been promoted to Vico Premier. Two relatively unimportant Central Committee members head the new Ministry of State Supply and the Ministry of Transport, the latter post vacated by Chankov. These appointments are undoubtedly designed to continue the appearance of Bulgarian participation in the higher ochelons of the wholly Soviet controlled Bulgarian Government. As there is nothing to indicate that the two new cabinet members have any qualifications for their offices other than their Bulgarian origin and long membership in the Party, Soviet "advisers" will undoubtedly continue to implement direct Kremlin orders. (SECRET)

CZECHOSLOVAKIA

<u>New Five-Year Soviet-Czech Trade Treaty may</u> mean Czech concentration on armament industries

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The newly announced Soviet-Czech trade agreement for 1951-55 is another important milestone in the integration of the Czech economy into that of the USSR. Inasmuch as the annual volume of goods exchanged will be increased by more than 50 percent over 1948-50, Czechoslovakia -- which is presently experiencing difficulties in fulfilling its commitments -- will have even less to offer in trade with the West.

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Czech deliveries to the Soviet Union are to be limited to products of the metal-working industry, and therefore, it is possible that Czechoslovakia will concentrate on production of armaments and allied industries. The Soviet Union is to provide raw materials and industrial equipment essential to such a program, in addition to foodstuffs and materials and equipment for the production of consumer items; the latter are probably for Czech use in the minimum trade necessary with the West.

Soviet deliveries of raw materials are to exceed those of 1948-50 as follows: iron ores, 250 percent, (estinated 2.5 - 3 million tons); copper, 400 percent; and aluminum, over 300 percent. In addition to unstated quantities of other motals and ferro-alloys, the USSR is also scheduled to supply mining, foundry and metal-working equipment, special chemical machinery, cotton, wool and other textile raw materials, and basic materials for the chemical, rubber, coramic and woodworking industries.

Whether the USSR can completely fulfill such promises in satisfactory quantity and quality to meet this program is doubtful. Much of the equipment and machinery listed could be better produced by the Czechs, and there would be little point in importing it from the USSR except in a program of integrating the two economies and of concentrating Czech industry in other fields. The USSR could supply iron ore of a quality suitable for direct use in Czech blast furnaces, but to date ore "fines" have been shipped, which roquired sintering. Increased shipmonts of powdered ores will require the construction of additional sintering equipment. Scheduled Soviet deliveries of foundry equipment includes sintering equipment, which indicates that powdered ores will continue to be sent to Czechoslovakia. In some instances, the Soviet Union may be attempting to compensate for curtailed Czoch imports from the West, but will probably be unable fully to do so. The USSR itself, for example, is short of some forro alloys needed for high-quality steel, particularly cobalt and

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molybdenum.

Czech deliveries to the USSR are scheduled to exceed all foreign orders placed with the metal-working industry in any previous year. Thus, deliveries of producer goods to the other Satellites will become increasingly difficult. It is believed that, actually, Czechoslovakia will be sorely pressed to meet the burden of Soviet demands alone, and will be forced to adopt a much more rigid direction of labor. Such new demands on labor, along with increased shortages of certain consumer goods and decreased take-home pay, will have considerable political repercussions in the Czech labor force, which heretofore has been one of the more important bulwarks of Communist rule.

The ambitious program envisaged by this treaty will probably fall short of complete fulfillment. It emphasizes, however, the importance attached by the USSR to Czech deliveries, and to the role assigned Czechoslovakia -- probably as an advanced arsenal of the Soviet Orbit. This increasing Sovietization of the Czech economy will cut still further Czech relations with the West. (CONFIDENTIAL)

FINLAND

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Finnish cabinet announces economic stabilization program

The Finnish Cabinet has announced an economic stabilization program, subject to Diet approval, aimed at checking the current inflationary tendency. Under the powers of the Emergency Economic Powers Act, the Cabinet decreed a wage freeze as of 8 November which supplements the price freeze of July 1950. The Cabinet has also asked for a year's extension of the Emergency Economic Powers Act, which expires at the end of 1950. This, in combination with the wage and price decrees, would restore the degree of Government control over the economy which existed prior to March 1948. In addition, the Cabinet will present a bill calling for the guarantee of workers' living standards.

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For the implementation of the program, the Finance Ministry is to re-create the Economic Advisory Board, and another organization will be established to maintain wage and price statistics on a quarterly basis. The Government aims to increase the effectiveness of price control by the appointment of price control officials in provincial governments and communes.

At the time of the wage freeze, negotiations regarding the application of the wage agreement for the settlement of the recent strikes were still in process. Under the Cabinet decree, trade unions desiring wage adjustments are to negotiate with employers, and if no agreement is reached, a wage council composed of members appointed by the President and labor market organizations will decide on the basis of maintaining the real wage level existing during the first quarter of 1950. If this formula means the levels prevailing at the end of the first quarter, the basis may be acceptable to both labor and employers, for at that time both groups were willing to see the cost of living index formula reestablished. Also, the divergence of views regarding pending wage increases was not great, although agreements had not been reached. The provision that special decisions are to be made concerning wages and pensions for Government employees indicates recognition of their relatively less favorable position.

Both labor and employers recognize the necessity of wage and price controls as the only means to halt Finland's inflationary spiral. Provided that a compromise can be reached between the divergent segments of these two groups, a satisfactory, but probably weaker, control measure is likely to be approved by the Finnish Diet. (RESTRICTED)

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Finnish economic outlook relatively good despite recent internal difficulties

Finland's foreign trade prospects will have been

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relatively undamaged by the pernicious political-economic events of the past nine months, if the current price level stabilization attempts can find political concurrence under the present or another cabinet. In view of the large part played by exports in the Finnish economy, they will be of prime importance to the control of the labor-engendered inflation.

Timber and timber products, which constitute the great bulk of Finnish exports, probably will continue to be shipped out as fast as timber can be cut and processed. Market conditions in the U.S., U.K., and Canada, which together produce and consume by far the greater proportion of the world's timber products, will continue to strengthen. In addition, trade negotiations currently in progress point to increased demands for these products, especially various pulps, through-out the remainder of the world market. Unemployment, therefore, should be at a minimum in the coming year.

Economic problems arising as a result of the strikes and the inflationary demands of labor and the farm interests will probably not be critical. The desired balanced budget (before debt settlement) probably cannot be achieved in 1951. The predicted export surplus for the year 1950 will not be realized. The effect of the strike on national income is not yet determinable, but wages already lost amount to some four billion marks, more than two percent of wages and salaries in 1948. Preparation deliveries will probably not fall behind schedule because of advance shipments, and it is unlikely that serious penalties will be assessed against Finland by the Soviets in 1950. (CONFIDENTIAL)

POLAND

Trial of Polish national deviationists may be pending

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The reported arrost of ex-Folitburo member Marian

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Spychalski and the rosignation of ex-Central Committee Member Wladyslaw Wolski from the Polish Parliament, of which he was a deputy, along with six other deputies suggest that Poland's first public trial of national deviationists will occur in the next few months.

Spychalski, who was denounced a year ago by the Central Committee of the Polish Communist Party and deprived of his Party and Government posts, has never been arrested and has remained a Party member. In the denunciation hurled at him by the Party, he was accused of permitting anti-State and anti-Communist elements to penetrate the Party and Government. In any forthcoming nationalist deviationist trial, Spychalski would be a valuable defendant-witness for the Party and Government.

Wolski has lost his Parliamentary immunity to arrest by resigning from the Sejm. As a close associate of Gomulka, Poland's arch national deviationist, Wolski would be an exceptionally useful defendant-witness in a trial of deviationists. Wolski was relieved of his Party duties last May and his Ministerial posts last June.

Since it is believed that the trial will revolve around Wlodzinierz Lechowicz, former Minister of Food Supply, who was arrested in October 1948 for anti-State and espionage activities, a tie-up may be made in the trial between national deviation, alleged Western espionage activities, particularly on the part of the U.S., and deviationist ties with Yugoslavia. (CONFIDENTIAL)

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Coal shortage in Poland

On 1 September, it was reliably reported that a coal shortage, which had existed in Poland for some months; had assumed serious proportions in Warsaw and in the provinces. At the time, it was believed that the crisis was a domestic one and had not affected export commitments. Developments in

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the meantime, however, indicate that Poland is unable to take advantage of all trade possibilities and that domestic supplies remain acutely short.

Denmark was limited to 1.2 million tons during the coming year as against 2 million tons last year. Exports to Sweden have been less than promised, and the price of coal to Sweden, Denmark and Norway, under the current purchase agreement in effect with those countries, has been raised \$2.00 per metric ton, effective 22 September. The price increase cane suddenly and without any negotiations with Norway, which was given until 13 October to accede to the demand or have shipments terminated. Subsequently, Poland agreed to continue shipments after that date, providing the Norwegian State Import Monopoly would accept whatever prices were decided upon in negotiations between the foreign offices of the two countries.

The alleged cause for the price increase was the higher prices which Sweden demanded for goods shipped to Poland. In the past, Norway paid the same prices or less than those charged to Sweden. Poland's ability to force Norway to pay more for coal is increased because Poland owes Norway 15 million kroner, and suitable coal is not currently available in other European countries.

It is difficult to reconcile Polish claims of production increases with the apparent shortages of supply. Various reasons have been advanced for the shortage, including sabotage in the coal mines, transportation difficulties, inefficient state of controlled distribution, better bargaining position with Western Europe, and excessive exports to the USSR.

Some of these factors have some bearing on the situation, but it is most likely that industrial coal requirements have been rising while production has been retarded. Production is believed to be less than officially reported.

Operations have been handicapped by inability to

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obtain sufficient new equipment and spare parts. Before World War II, Germany supplied almost 90 percent of the equipment. Imports of machinery from 1945-49 were hopelessly inadequate despite sizeable quantities received from the U.K. and the US. Czechoslovakia has also been an important source for some types of equipment and the USSR has furnished minor quantities. Undoubtedly, US export controls on equipment are being felt by the Polish coal industry.

Although coal miners are among the highest paid laborers in Poland, it has been impossible to recruit enough labor. Mines have been under-manned since the war. The shortage of trained mechanics has been especially acute, which indicates serious maintenance problems.

The present shortage of fuel in Poland could be eliminated by reducing exports, but foreign goods, especially machinery, is so desperately needed that coal shipments probably will be maintained at as high a level as possible. However, it is not to be expected that basic industries will be permitted to suffer a great deal from fuel shortages. The hardships will be felt principally by small consumers.

Recently, the entire Western European coal situation as well as that in East Gernany and Poland has changed from a surplus to a deficit position which may become very serious in 1951. It may be necessary again to import substantial quantities of coal from the US. Coal requirements have increased with industrial expansion, whereas coal output has lagged behind, with the result that traditional exporters like the UK and Gernany, besides Poland, have been unable to fulfill all needs. (SECRET)

SPECIAL ARTICLES

Satellite Communist Parties broadening base of membership

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The Communist Parties in Eastern Europe, endeavoring

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to broaden the base of their popular support, are putting into effect new membership policies which in some countries will result in increased Party membership and in others in a definite change in the composition of the Party membership.

In both Poland and Hungary there has been a drive to increase the total membership of the Communist Parties. From November 1949 to July 1950, a total of 70,000 new members were accepted by the Hungarian Communist Party, drawn largely from the outstanding youths, politically enlightened women, peasants who have moved to the city, and technical intelligentsia. In a recent speech before the Central Committee of the Hungarian Workers Party, Deputy Prime Minister Rakosi emphasized the importance of continuing to enlarge the Party by concluding his remarks on this phase of Party activity with: "Let me repeat once again, we must put into the foreground of our work, the extension and growth of our Party." In Poland, on the other hand, no clear distinctions as to the groups which the Party desired have been drawn. Instead Mine, Poland's top economic planner, announced the abandonment of the principle of an elite Party and called for the building of a mass Party. Coupled with this process will be the simultaneous extirpation of all nationalist, anti-Communist elements in the Party. Mine emphasized that a greater percentage of workers must become Party members and that the Party must lead the masses and be composed of the nasses.

A somewhat different situation exists in Czechoslovakia, where the total Communist Party membership has remained fairly stable for the past few years at approximately eighteen percent of the total population. Presently, the Czech Communist Party is in the yearly process of membership verification. According to the Party instructions governing the process this year, no members will be allowed to resign from the Party but may only be demoted to candidate status.

Little change in the past year in the total memberships

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of the Cormunist Parties of Albania, Bulgaria, and Rumania has taken place. Albania's Cormunist Party has a membership of 30,000, Bulgaria's 430,000, and Rumania's 720,000. The Albanian and Bulgarian Parties have been turning out their older Party members, opportunists, and national deviationists. Replacements have been drawn from the youth, women, and workers. The Rumanian Communist Party purged 18 percent of its membership between November 1948 and May 1950. Within the next two to three years the Party hopes to change its composition so that 42 to 60 percent of the membership will be workers.

These changes throughout the Communist Parties in Eastern Europe will serve to create a closer identification between the Parties and those various social groups within the Satellites from which the Parties draw their strength. Also, the Parties will be able to keep better watch over these special social groups and at the same time continue efforts to convince the people of the desirability of Party membership. The final effect will be to strengthen Communist Party control over the most important social and economic sectors of Satellite life. (SECRET)

Local elections in Hungary and Rumania symbolize progress in socialization

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Staging of elections for local people's councils at this time in Hungary and Rumania exemplifies the progress attained in noulding the Satellite nations in the image of a Soviet Socialist Republic, despite stresses within individual Satellite Communist Parties and the resentment of the Hungarian and Rumanian people to Communism. Hungary conducted elections for local councils on 22 October, and Rumania is now staging a campaign for elections on 3 December.

Throughout the orbit, the people's councils are the organs of local government. Theoretically, they combine

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legislative and executive functions; actually they serve as local administrative bodies of the Interior Ministry, and as the front for various undertakings sponsored by local Communist organizations. Until Hungary's recent election, Bulgaria was the only Satellite whose councils were filled with elected members, membership of the other councils being appointed. Staging elections in Hungary and Rumania at this time is a mark of the Kremlin's confidence in the ability of the two Governments to stage mass political spectacles without untoward incident.

The conduct of the elections in both countries demonstrates the method by which the Communists exploit such events to symbolize the control they have already achieved over the central Government and extend their power throughout the country as a whole. There has been a concerted effort first to neutralize dissident elements of the population and prevent them from using the occasion to attack the regime. In Rumania, the Communists have excluded from voting, and from any participation in the campaign, "all former landowners, former owners of banks and factories, merchants and kulaks," as well as "enemies of the working people" and "enemies of peace." The last category will include those who refused to sign the Stockholm Peace Appeal this summer, while the term "enery of the working people" is elastic enough to include anyone even suspected of hostile inclinations.

The dissident element thus neutralized, the Communist organizations concentrate on having a mass turn-out on election day. During recent campaign in Hungary, top-level Government officials visited practically every village in the country to stimulate interest in the elections. In Rumania, press and radio propaganda has been augmented by teams of agitators exhorting individual citizens to vote. These agitators are either stationed at headquarters in urban centers or sent throughout the country to reach the peasants. Occasional public criticism of their deficiencies, usually

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aimed at apathy, indicates the importance attached to their work by the regime. Obviously the Communist leaders hope to bring practically the ontire adult population to the polls on 3 December so that they can claim the result as proof of unanimous support. The 96.8 percent turn-out in Hungary has already been used to substantiate the Government's claim that its five year plan and peace policy enjoy popular endorsement.

Perhaps more important is the effort to have the mass of the people participate actively in the elections by running for office or campaigning for candidates. Thus, in Hungary, Matyas Rakosi recently clained that the workerpeasant alliance had been strengthened by the increased inclusion of non-party people and individual farmers in the canpaign. Rakosi claimed that of the 300,000 propagandists who took part in the canpaign 100,000 were nonparty, and 222,000 candidates, almost two-thirds belonged to other parties or to no party, half of the latter being individual farmers. Similarly, in Rumania, the ticket of the People's Democratic Front -- the only list of candidates to be nominated -- will include, along with Communists, representatives of the General Confederation of Labor, the Plowman's Front (the stooge Agrarian party) various cooperative organizations, parties appealing to minority groups (such as the Hungarian People's Union and the German Anti-Fascist Committee) youths and women's organizations, and, finally, organizations of writers, scientists and artists. In the election over 80,000 workers, farmers, artisans, teachers and technicians will be elected as deputies. The device of a single slate composed of representatives of all segments of the population is intended to increase the Government's influence over the people by involving greater numbers of ordinary citizons in Communist-sponsored undertakings. Having taken part in the campaign, or having accepted office from the Communists, such persons will be compromised in the eyes of their fellow citizens, and thus precluded from hostile political activity. Indeed, many of them can be counted

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on to begin cooperating whole-heartedly with the Communists.

Finally, the Runanian elections will bring a greater sense of reality to the recent reorganization of the country into regions, raions, towns, and communes, as each unit is to elect a council. In the redivision, which takes the place of the traditional organization based on counties, the new units are gerrynandered so that urban and rural workers, on whom the regime relies for support, will have a preponderance of strength in each unit. This arrangement will probably prove more useful in the post-election period, when the various local councils are called on to carry out specific projects, than in the elections themselves, when victory for the Government ticket is guaranteed. (CONFIDENTIAL)

