

~~CONFIDENTIAL~~

~~SECRET~~

19 December 1950

SUMMARIES OF TRENDS AND DEVELOPMENTS

USSR

1. The latest steps in the Soviet Union's diplomatic and propaganda campaign to forestall a West German contribution to Western defense are: (1) passage of a law by the East German Parliament providing harsh penalties, including death, for all German "warmongers", and (2) presentation of notes to Great Britain and France accusing them of violating, respectively, the Anglo-Soviet Alliance of 1942 and the Franco-Soviet Agreement of Friendship and Mutual Assistance of 1944.

(Page 5)

EASTERN EUROPE
HUNGARY

2. In implementation of point 5 of the Warsaw Peace Appeal, ("We call upon all parliaments to enact a law for the protection of peace, defining criminal responsibility for the propagation, in any form whatever, of a new war"), the Hungarian National Assembly on 8 December passed a peace defense bill. It provides that anyone instigating war or disseminating war propaganda is guilty of a felony against the peace and is subject to a maximum of 15 years' imprisonment and confiscation of his properties.

Since last spring there have been frequent arrests for warmongering and stern warnings have been issued against the spreading of war rumors. Usually the warmongers are accused of being agents of the West and the VOA and BBC are alleged to be the principal sources of the rumors.

On 14 December the Rumanian Parliament passed a

~~CONFIDENTIAL~~

~~SECRET~~

DOCUMENT NO. 3
NO CHANGE IN CLASS.
DECLASSIFIED
CLASS. CHANGED TO: S
NEXT REVIEW DATE: 1984
AUTH: HR 70-2
DATE: 30 Dec 79 REVIEWER: 006614

CONFIDENTIAL

similar law for the defense of the peace. The Czechoslovak Parliament will convene this week to consider a corresponding bill. Undoubtedly Albania, Bulgaria, and Poland will follow suit. (RESTRICTED)

- - - - -

3. Hungarians are expected to close the British Information Service. In a speech before the National Assembly on 5 December, Erno Mihalyfy, head of the Institute for Cultural Relations, referred to the "unfriendly tone of certain news bulletins issued by Western Legations in Budapest" and added that "they send these bulletins to many people without being asked." The British Minister interprets this as a possible indication that the Hungarian Government will close the British Information Service which daily distributes 10,000 Bulletins. The British Bulletin pulls no punches in international news presentation, while the U.S. Bulletin, as a result of a warning in May 1950, has omitted everything overtly derogatory to Communism, Hungary, the USSR, and the Satellites. Thus it is possible that action will not be directed against both the American and British publications at this time. (CONFIDENTIAL)

- - - - -

4. The 1951 Hungarian Budget shows an absolute increase in both total and military expenditures. Outlays are to increase 12 billion forints to a new high of 29.6 billion and military expenditures are approximately double those announced in 1950.

(Page 7)

POLAND

5. Western diplomats in Poland may soon have their activities drastically curtailed because of the trial revelations by a former British Air Attache of some US, British,

CONFIDENTIAL

~~SECRET~~
CONFIDENTIAL

and French intelligence collecting techniques.

(Page 7)

RUMANIA

6. The Rumanian Foreign Office threat that US courier visas will be granted on a strictly reciprocal basis, if implemented, will drastically reduce the US Legation's operational effectiveness.

(Page 9)

FINLAND

7. Moscow propaganda attacks on proposed inclusion of Social Democrats in new Finnish cabinet are increasing as negotiations between Agrarians and Social Democrats on a joint economic policy near completion. Despite these attacks, a coalition government of Agrarians and Social Democrats plus representatives of Swedish and Progressive Parties will probably be formed.

(Page 10)

GENERAL

8. The trend toward decreasing the scope of responsibility of individual economic ministries in Eastern Europe is further revealed in the recent amendment to the Hungarian Constitution which provides for the splitting of old ministries and the establishment of new ones.

(Page 11)

9. The Communist Parties of Eastern Europe are expending much effort to gain control of the minds of the children of Eastern Europe, though the success of this effort can not be accurately gauged. Opposed to the Communist

~~SECRET~~
CONFIDENTIAL

SECRET

programs for the children are two institutions, the Catholic Church and the family. Because of the effectiveness of these two resistant forces will gradually be lessened, unless the Western world is able to take counter-measures, the Communists undoubtedly will achieve a notable degree of success in the field of communizing the children within the next ten years.

(Page 12)

-4-

SECRET

SECRET

U S S R

Recent developments in Soviet campaign
to forestall West German rearmament

The latest steps in the Soviet Union's diplomatic and propaganda campaign to forestall a West German contribution to Western defense are: (1) passage of a law by the East German Parliament providing harsh penalties, including death, for all German "warmongers", and (2) presentation of notes to Great Britain and France accusing them of violating, respectively, the Anglo-Soviet Alliance of 1942 and the Franco-Soviet Agreement of Friendship and Mutual Assistance of 1944.

The East German "anti-warmonger" law, which is clearly intended to apply to West as well as East Germans, states that anyone propagating acts of aggression or recruiting Germans to participate in belligerent actions is liable to punishment, including prison terms and, in extreme cases, the death penalty. Peace offenders are defined as anyone who advocates inclusion of Germans in aggressive military blocs or their recruitment into foreign military formations. The law is obviously designed to intimidate the West German people and their leaders in order to prevent them from participating in Western defense.

The East German "anti-warmonger" law is the type of legislation recommended by the Warsaw Peace Partisan's Congress of 18 November 1950. Hungary and Rumania have passed similar laws, but East Germany is the only one of the three Satellites to provide the death penalty. Immediately after the passage of the law, the East German propaganda machine named the editor of the US-licensed Berlin newspaper Tagesspiegel "number one warmonger." This may well mark the beginning of a highly publicized official or, at least, semi-official list of West German "warmongers." The Communists may even attempt to kidnap certain West Berlin and West German leaders in order to place them on trial under the new law.

-5-

SECRET

SECRET

The recent Soviet notes (presented in Moscow on 15 December) to Great Britain and France accuse the two nations of violating agreements with the USSR (Anglo-Soviet Alliance of 1942, Franco-Soviet Agreement of 1944, Potsdam Agreement) by: (1) sponsoring West German rearmament, and (2) concluding alliances and participating in coalitions directed against the USSR and "other peace-loving states." (The text of the note to Great Britain is believed to parallel the note to France in all important respects). The notes, carefully timed to coincide with the Brussels meeting of the Foreign and Defense Ministers of the North Atlantic Treaty nations, are obviously intended to increase dissension among the Western Powers over the question of West German rearmament. The USSR may believe that these notes will influence France and Great Britain to insist on the postponement of a decision as to how and to what extent to rearm West Germany until after the Four Power Conference, which the USSR has proposed and which the Western Powers are discussing.

The Soviet note to France states that the French Government is preparing a military alliance with West Germany and that "it is clear that this fact creates a serious threat to peace...To embark on this road is to reconstruct German militarism, a thing to which the Soviet Union and the peoples of Europe who have borne the weight of German aggression cannot agree." The note states the "position of the French Government is not only contrary to the Potsdam Agreement regarding the demilitarization of Germany, but is also manifestly contrary to the Franco-Soviet Agreement of 10 December, 1944." The note accuses France of violating Article 5 of the 1944 agreement through its entry into the "group of North Atlantic powers, a group which is directed against the USSR." In connection with this note, it is perhaps significant that the USSR, in a reference to its note of 3 November 1950, emphasizes its proposal to convene a Council of Foreign Ministers to "consider the question of execution of the Potsdam Agreement for demilitarization of Germany," but makes no mention of a conference to settle the German problem as a whole. (SECRET)

-6-

SECRET

SECRET

EASTERN EUROPE

HUNGARY

Hungarian '51 budget reflects
increasing military expenditures

The 1951 Hungarian budget shows an absolute increase in both total and military expenditures. Total planned outlays are to reach a new high of 29.6 billion forints, an increase of 12.15 billion over 1950. Overt military allocations are to amount to about 14 percent of the total in 1951 as compared with about 11.7 percent in 1950, but in absolute terms, the increase over 1950 is about 100 percent. "Investments", as usual, receive the largest allocation amounting to about 40 percent of the total or 11.7 billion forints. This brings outlays for investment, as stated in the budgets, to about two-fifths of the 5 Year Plan's total in the first two years, departing from the general plan investment schedule in that the allocations usually run considerably lower in the earlier years of the plan than at the end.

Although inflationary pressures exist in Hungary, it is extremely doubtful that a major portion of the increase is a result of inflation, and it may be safely presumed that a large part of the increase will be devoted to the support of the enlarged Hungarian military force and supporting industry. In addition, the 2.4-fold increase in the Ministry of Finance allocation is reportedly largely to secure commodities for stockpiling. (SECRET)

POLAND

Western diplomats face restrictions in Poland

Western diplomatic representatives may soon face drastic curtailment of their activities because of the revelation by a former British Air Attache to Polish Security Police

-7-

SECRET

SECRET

of many Western intelligence collecting techniques. At the present time Western envoys, though closely watched by the Security Police, are still free to travel in Poland.

The former British Air Attache to Warsaw, Henry Turner, is on trial before the Warsaw Civil Court on charges of helping a Polish citizen escape from the country. Having completed his tour of duty in Warsaw November, 1949, Turner returned to Great Britain and resumed civilian life. Last May Turner returned to Poland as assistant purser on a British tramp steamer with the intention of clandestinely spiriting a Polish woman out of Poland on board the vessel. He was caught by the Polish Security Police while carrying out his plan.

During the trial Turner's testimony has been devoted largely to the subject of intelligence collecting techniques of Western diplomatic establishments but there was little emphasis given the actual charge against him. Turner has: (1) described at length the attaches' techniques in observing and reporting rail traffic, troop movements, location and layout of airfields, and harbor installations, (2) asserted that because of freedom of movement in Poland attaches' were able to obtain much valuable material, (3) told of the system used by Western attaches to pool information and coordinate activities, (4) described use of civilian members of diplomatic staffs, to whom special jobs of intelligence collecting were allocated, and (5) stated that the RAF and USAF courier plane flights serving the Embassies from Berlin were used for aerial reconnaissance.

Turner's admissions were pointed up in a bitter follow-up editorial in Trybuna Ludu, Communist Party Organ, which emphasized that the unrestricted movement of Western diplomats in Poland and their continuing social relations with Poles were the primary factors enabling the Western diplomatic "espionage net" to operate in Poland.
(CONFIDENTIAL)

-8-

SECRET

SECRET

RUMANIA

New Rumanian restrictions threaten
US mission's operations

The Rumanian Foreign Office announcement on 8 December that hereafter US courier visas would be granted on a basis of strict reciprocity will, if implemented, drastically reduce any effective operation of the US mission in Rumania. This move, which would limit US courier visas to about one in six weeks, was prompted by a two-week delay by the US in issuing visas to Rumanian couriers. The day before this announcement the Rumanian Foreign Office representative had proposed a regular process in the granting of these visas, by suggesting that if Rumanian couriers were promptly granted visas, US couriers could be issued visas every other week. When the authorization for the visas did not come through instantly, however, his announcement of "reciprocal" measures was accompanied by charges that the delays were all on the side of the US, despite the record, which shows that in every instance since 3 June the Rumanian Legation in Vienna has delayed US courier visas from as much as ten days to two weeks.

The new restriction is another step by the Rumanian Government in its accelerated anti-Western campaign, which in the past year has seriously reduced the ability of Western missions to carry out their duties efficiently. The closing of US and UK information offices in March of this year was followed by a flood of other measures, including the imposition of travel restrictions which placed most of Rumania out of bounds to US officials, the elimination of Western contacts with the people by intimidation of the populace, arrests and accusations directed at Western personnel, reductions of mission staffs, and refusal of visas to Legation replacements and to couriers.

Under this constant harrassment, the US mission is

-9-

SECRET

SECRET

finding it increasingly difficult to operate, prompting the US Charge to suggest calling for a show-down on the whole matter of US-Rumanian relations. Although the vindictive tone assumed by the Rumanian bureaucrats toward US officials in the present case suggests that Rumania might well prefer to have relations severed rather than yield on the courier issue, the US staff is encouraged by the firmness of the French who have successfully resisted a Rumanian request that the French Legation be cut to six French personnel. Moreover, the fact that subsequent to the US-Rumanian conversation of 8 December the US has granted the Rumanians the visas they had desired provides the opportunity to work out more regular arrangements for courier visas, which would at least temporarily alleviate the tenseness of US-Rumanian relations. (CONFIDENTIAL)

FINLAND

Finnish coalition cabinet will probably be formed despite Soviet propaganda attacks

The Finnish Social Democrats and Agrarians are reported to have nearly completed negotiations on an economic policy which both parties will support in a broadened cabinet. Moscow radio, in the meantime, is applying its usual propaganda pressure in the hope of keeping the Social Democrats out of the new cabinet. According to the Soviet propaganda, economic differences between the parties are secondary to the nefarious aims of the Social Democrats, who, abetted by the Conservatives, want to enter the government in order to propagandize against the peace movement, to wreck relations with the USSR and the peoples' democracies, and to force Finland into the camp of the Anglo-US warmongers. Vaino Tanner, whose intransigent attitude toward the Soviet Union from 1939 to 1944 resulted in his conviction as a war criminal, is being attacked as the Social Democratic ringleader of Finnish reaction. US Minister to Finland, Cabot, and the US Ambassador to Sweden have been accused of

-10-

SECRET

SECRET

conspiring with the Tannerites. Their objective, it is implied, is an anti-Soviet government in Finland.

The volume and vociferousness of Soviet propaganda on this subject is an indication of Moscow's bitterness against the Social Democrats, who have succeeded in holding the Communists in check in Finland. The Finns, however, have strong nerves and are not likely to succumb to Soviet attempts to dictate internal Finnish policy by these methods. At present a coalition cabinet which would include Social Democrats and Agrarians plus some Swedish and Progressive Party representatives will probably be formed. Premier Kekkonen is reported to favor the inclusion of two or three Communists in the new government in order to placate the USSR. The opposition of the other parties to the inclusion of the Communists, however, makes it unlikely that a coalition cabinet could be formed on this basis. (CONFIDENTIAL)

GENERAL

Creation of new economic ministries
narrows scope of authority

The trend toward decreasing the scope of responsibility of individual economic ministries in Eastern Europe is further revealed in the recent amendment to the Hungarian Constitution. The amendment provides for the splitting of the Ministry of Heavy Industry into a Ministry of Foundry and Machine Industry and a Ministry of Mines and Power; it replaces the Ministry of Social Welfare with the Ministry of Health; it establishes a Ministry of Food. Limiting the sector of the economy for which each Minister is responsible is intended to bring more efficient administration and increased security through greater compartmentalization of knowledge and authority.

Similar reduction of the scope of activity of the economic ministries has occurred in the other Eastern European

-11-

SECRET

SECRET

satellites. In Poland, a bill is under consideration which would establish a Ministry of Chemical Industry (formerly the prerogative of the Ministry of Heavy Industry); the Ministry of Construction would be abolished and its functions allotted to a Ministry for Industrial Reconstruction and a Ministry for Urban and Settlement Construction. While the economic ministries in Bulgaria were already comparatively numerous, a Ministry of State Supply and Warehousing was added in November. A reorganization of the economic ministries in Rumania took place at the end of 1949. In Czechoslovakia they have been so organized that the creation of new ministries would be an easy step.

With the extension of government control over the sectors of the economy still in private hands and with the accompanying growth of the bureaucracy, there will undoubtedly be further divisions of the ministries in Eastern Europe. Furthermore, with the increasing industrialization of the Eastern European economies, there will be a need for a greater number of specialized ministries. The compulsion to imitate the Soviet Union's extensive government structure is probably a motivating factor in this breakdown of ministries. (RESTRICTED)

Effectiveness of Communist youth programs

The efforts of the Communist Parties in Eastern Europe to gain control of the minds of the children are being successful, though precisely to what extent cannot be accurately determined. Necessarily of a long range nature, the program is just beginning to gain momentum, and the full effects will only gradually become apparent. An analysis of the present degree of Communist control over the activities and training of children, the magnitude of the Communists' strivings to win over the children, and the forces opposing the program will give some indication of the progress already made.

-12-

SECRET

SECRET

All children in the Eastern European countries from approximately seven years through adolescence are enrolled in mass youth organizations; in Poland Ognisko (The Hearth), in Bulgaria the Septemvriiche, and in Czechoslovakia, Hungary, Rumania, and Albania, as in the USSR, the Pioneers. These organizations, in addition to ideological education, provide organized play groups and early training for a trade, profession, or military service. They also offer the child personal responsibility and independence from family discipline, both of which serve to break family ties and weaken family influence. In essence these organizations are factories for the mass production of young Communists. The more intelligent and mature children are likely to be skeptical but silent about the program. The less intelligent the child, the more likely he is to participate genuinely in the organizations' activities and to accept the teachings of Communist ideology. Children from families of low economic standards are particularly susceptible to the material advantages that go along with membership in a youth group.

In addition to the use made of the children's organizations, Communist ideology is spread through the educational system. Although education is available to all children, the Party is making every effort to increase the proportion of children with a proletarian background in the schools. A good ideological record, a good report on Party work, and a proletarian social background are at least as important for entrance into the gymnasium or University as intellectual ability. Higher education, which has always been esteemed in Eastern Europe, is being offered more and more only to those students who conform to Communist ideological and political standards.

Opposed to the Communist youth programs are two institutions, the Catholic Church and the family. In predominantly Roman Catholic countries such as Poland, where the Catholic Church is closely identified with nationalism, the Church's resistance to the Communization of the youth is a strong force, though not one which will be able to continue

-13-

SECRET

SECRET

effective opposition indefinitely. For example, in Poland the Church recently instructed parents to continue religious teaching at home if their children were being deprived of it in the schools. This particular instruction ties in with what has been a traditional and successful form of keeping the national culture alive in Poland, that is, clandestine home teaching of Polish history, traditions, and beliefs. This parental instruction, more than anything else, has retarded and will continue to retard the process of Communist indoctrination of the youth.

In countries such as Rumania and Bulgaria, where Roman Catholicism is not the predominant religion, the opposing force of religion to the Communization program for the children is much more limited. Roman Catholicism is a minority religion in these countries and has no effective influence outside of the small circle of its members. In fact, on the lower levels of the Catholic hierarchy in these countries, the parish priests are gradually going over to the Government. The Orthodox Church, to which the overwhelming majority of the population belongs in Rumania and Bulgaria, was early subordinated by the Communists who installed cooperative leaders and have since enjoyed their active support. This has facilitated the Communist indoctrination of the children since the Orthodox leaders have not opposed the Party's programs for the children. Family ties and influences thus provide the only strong resistance faced by the Communists in the Balkan countries to their programs for the ideological training of the children.

In Hungary, where the population is approximately two-thirds Roman Catholic, the Communists face resistance by the Church to their programs for the children, but it is not as fervent and strong as that found in Poland. As the oppression by the Communist regime becomes more apparent in all aspects of life, religious fervor and support of the Church against the Communists will become stronger.

The Communists in Czechoslovakia, because of the

-14-

SECRET

~~SECRET~~
CONFIDENTIAL

distinct difference of religions in Bohemia, where there is a large Protestant group, and in Slovakia, which is Roman Catholic, have been faced generally with a less difficult problem. The Protestants, who fervently dislike the Catholics have tended to go along with the Communists, thus facilitating the implementation of the Communist programs for the children. In both Czechoslovakia and Hungary, family influences also seem to be less powerful than in Poland, but stronger in Czechoslovakia than in Hungary.

Unless the West takes steps to counter the Communist youth program, such as continuing wherever possible the information programs, exploiting the popularity of Western culture and the desire for knowledge of any kind about the non-Communist world, and endeavoring to aid the Satellite peoples to preserve their national culture, the Communists will achieve a notable degree of success in the field of communizing the children within the next ten years. The present opposition forces of Church and family influence will continue to weaken and become less influential as time passes. (SECRET)

~~SECRET~~
CONFIDENTIAL