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Division 40-114 29:
"Soviet-Satellite Capabilities
and Intentions With Respect to
Action Against Yugoslavia in
1951"

February 9, 1951

I. SOVIET OBJECTIVES WITH REGARD TO YUGOSLAVIA

The Soviet Union has demonstrated great sensitivity over the continued survival of the Tito regime and has made clear that it desires the replacement of this regime by one subservient to Moscow.

Publicly, the Soviet Union has never suggested that it feels committed in any way to get rid of Tito or that it aims to bring about his overthrow through the direct use of force. Instead the Kremlin's announced position has been that with the "unmasking" of Tito by the Cominform, the Yugoslav people can be expected to take appropriate action.

Confirmed Soviet and satellite activity with regard to Tito so far has been limited to (1) economically and politically isolating Yugoslavia from the Soviet orbit, (2) carrying on propaganda agitation for action by the Yugoslav people, and (3) attempting to insulate the world Communist movement from Titoist influences. There have been unconfirmed reports that the Soviet Union and its satellites have also planted agents in Yugoslavia, particularly in Yugoslav Macedonia, and have actively promoted scattered efforts at sabotage. There have been no reported instances of a Soviet-satellite attempt to precipitate and give support to a guerrilla uprising.

Beyond this, the Soviet Union and, more particularly, the satellites have subjected the Tito regime to a war of nerves (1) directly through border

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violations coupled with repeated charges that Yugoslavia has itself been guilty of such violations and is preparing, on US instigation, to launch an attack against its neighbors, and (2) indirectly through a steady build-up of the armed forces of the orbit countries. Aside from such generalizations as "the Tito clique will have to bear responsibility for its criminal policy of aggression" and "the Yugoslav people will have the last say with regard to the mad adventurers who are ruling Yugoslavia," this war of nerves has not included the use of explicit threats.

These Soviet-satellite pressures have so far failed to shake the Tito regime and on the basis of available evidence it does not appear that they will prove more effective in the future. The Kremlin therefore faces the prospect of either reconciling itself to the indefinite survival of Tito or resorting to the use of force.

The Soviet Union has given no indication that it is less willing now than formerly to accept Tito's continuation in power. Moreover, there is nothing about the present Yugoslav situation to lead to the subjective judgment that Moscow considers itself under any immediate compulsion to get rid of Tito. If, therefore, the Kremlin should decide upon either a Soviet or satellite attack on Yugoslavia, it must be assumed that the decision would be motivated by broader considerations than merely the replacement of Tito. More particularly, it must be assumed that Moscow estimates an attack on Yugoslavia would immediately and substantially further the over-all Soviet aim of undermining the Western power position.

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In making a decision, the Kremlin obviously would weigh the favorable as against unfavorable impact of the action.

The advantages which the Kremlin might anticipate for a successful attack on Yugoslavia could include:

- (1) The realignment of Yugoslavia with the Soviet bloc, particularly the denial to the rearming West of the Yugoslav military force in being with a consequent unfavorable result for the over-all Western powers position; and the destruction of whatever value Tito's defiance of the Kremlin may have as a symbol of "national Communism."
- (2) Reopening the way for renewal of large-scale "guerrilla" operations in Greece. The Kremlin might estimate that success of these operations would in turn make the strategic situation of Turkey so difficult as to lead to a weakening of Turkey's ties with the West and possibly induce accommodation to Moscow. Thus, the Kremlin might anticipate completion of its domination of Southeast Europe and a substantial furthering of its mastery of the Eastern Mediterranean and the entire Near and Middle East. The Western powers would be denied the cooperation of large military forces as well as a staging area where a land assault against the under-belly of the Soviet empire could be prepared.
- (3) Additional and strong pressures would be brought to bear on the North Atlantic grouping. The Kremlin might estimate that the morale and will to resist of continental West Europeans would be further undermined and strong popular demand for accommodation with the USSR generated in Western Germany.

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France, and Italy. The US would in turn be induced to discount further the usefulness of Europe and might voluntarily abandon any plans for defense of the continent. Thus the drives to forestall West European rearmament and to break the ties between Western Europe and the US would both be furthered.

(4) US attention might be distracted from Asia and continued pursuit of present US policies toward Korea, Formosa, and Indochina made more difficult. Japanese faith in the capacity of the US to defend Japan would be reduced and a strong movement for accommodation might develop among the Japanese people.

The USSR would have to recognize, however, that actual realization of such gains, even if the attack were fully successful, would be far from certain. Thus increased rather than lessened Western rearmaments measures might result; sufficient US aid might be furnished Greece and Turkey to make them stronger rather than weaker; etc. At the same time, the Kremlin would have to recognize that an attack on Yugoslavia would involve risks of the utmost gravity. In the case of reliance upon satellite forces alone, Moscow could not be assured that sufficient Western strength would not be forthcoming to prevent the attack from succeeding and perhaps even to threaten eventually the invasion of the satellites themselves. Such a development would present Moscow with the alternatives of either losing a part of its empire or intervening directly, a step that would involve a strong likelihood of war with the US should the Western powers be actively engaged in helping Yugoslavia. Soviet participation in an attack at the outset would constitute overt aggression and might well be estimated by the Kremlin as likely to lead to immediate counteraction by the US. From the standpoint of possible consequences, therefore, the USSR could hardly view an operation against Yugoslavia as a limited or local action. Its objectives and its willingness to accept global war would have to be essentially the same as for a military adventure in some other area.

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II. STABILITY OF THE TITO REGIME

A. Political Vulnerabilities

Yugoslav political vulnerabilities derive from three principal factors:

- (1) the anomaly of Tito's position as an avowed orthodox Communist who nevertheless is outside the pale of Kremlin favor; (2) the nationality problem; (3) the pressure on the population of the ever present possibility that Kremlin mastery over the country may be restored.

(1) Anomaly of Tito's Continued Adherence to Communism. The continued adherence of Tito to Communism has the effect of keeping him constantly on the defensive. The Kremlin is able to play upon every difficulty, every adverse development, every move, and every decision of the regime to seek to arouse dissatisfaction, disappointment, and resentment among both Communists and non-Communists in Yugoslavia. At the same time Tito is forced to take into consideration Western reactions to his policy. Consequently, he is obliged to pursue his domestic and foreign policies cautiously, since his failure to conform to Communist theory gives substance to Moscow's contention that he is no Communist, whereas complete fulfillment of Communist doctrine serves to antagonize Western opinion. This need to move with circumspection is a potential source of dissatisfaction among the more rabid Communists, some of whom might come to feel that it would have been better from the ideological standpoint to have remained in the Soviet orbit. On the other hand, Tito's concern for ideological purity tends to inhibit him in making necessary adjustments in such fields as economic controls, agriculture, and religious policy lest they open himself to charges of betraying Communism. Similarly the regime feels

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itself under restraint when it comes to aligning itself with the West. Yugoslav leaders appear to appreciate that their survival requires Western support; yet they are hesitant as in the case of arms assistance about effecting a workable arrangement to insure such support. At the same time, Tito's insistence on the Communist label tends to keep large conservative elements of the population in a state of latent opposition, if not open hostility to the regime. These elements at present are anti-Cominformist as well as anti-Communist but serve as a possible source of weakness for Tito.

(2) Nationality Problem. There is recent evidence that, despite the fact that the Tito government officially claims to have "solved" the Serb-Croat problem, the traditional Croat-Serb rivalry continues to plague the regime. Recent articles appearing in the Croat Communist organ Naprred, the difficulties involving Croat Ministers Zigic, Brkic, and Opacic, all Serbs, and the "assassination" of another Serb minister in the Croat government all point to continued tension in this field. The remnants of strong feelings left in the Ilka-Kordun areas and in Bosnia in consequence of the wartime massacres of Serbs by the Ustasha have led to outbursts in those areas. In addition, there is a traditionally cool attitude in Zagreb and to some extent in Ljubljana over the alleged dominance of the Serbs in the Belgrade government. In handling individual cases of disturbances of this nature, the government has played on the strong anti-Russian feeling in the country by labelling such activities as the "wrecking activities of the Cominform," but it is doubtful that this tactic has struck at the root of the problem.

Historically, one of the most vulnerable areas in Yugoslavia is Macedonia, the traditional focal point of Balkan rivalries, guerrilla operations, and

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manipulation of local antagonisms. Tito's regime has shown itself acutely conscious of this vulnerability and has taken measures to lessen it. It has endeavored to grant Macedonians the attributes of autonomy and has established Macedonian schools, including a university at Skoplje. The area has been given more than its share of attention in Yugoslav industrialization plans. During the recent drought US food assistance was especially directed toward maintaining adequate supplies in Macedonia. The absence of special security measures in the area and Belgrade's anti-Bulgarian offensive attest to Yugoslavia's confidence in its ability to combat successfully any Cominform intrigues. At the same time, however, Moscow does possess certain potentialities which it may hope to exploit in Macedonia. These include: (1) the continued existence of petty local antagonisms; (2) the possibility that elements still exist which desire either an independent Macedonia or one more closely oriented toward Bulgaria; and (3) persistent economic problems. Recently Soviet propaganda has characterized Tito as the betrayer of the legitimate aims of the Macedonian people because of his alleged indifference to the fate of Greek Macedonians now under the "monarcho-fascist yoke." Ever since the closing of the border to the Greek guerrillas on August 2, 1949, Macedonian Communists have been reassuring the local people that Yugoslavia has not dropped its claims to Aegean Macedonia, but instead has only temporarily shelved them.

Montenegro is another area open to Cominform pressure as a result of nationality issues. Historically and culturally oriented towards Russia, it has shown that it is still susceptible to Russian influence.

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The Montenegrin terrain is suitable to the infiltration of agents from Albania and is one of the easier areas in which to conduct guerrilla warfare. Presumably, one of the factors which Cominform propaganda could play upon would be the usual resentment of primitive people to governmental controls. The Tito government has, however, shown itself willing to cater to Montenegrin sensibilities, and, in fact, has enjoyed considerable support in its anti-Cominform fight from Montenegrins. One of the many complaints heard in Belgrade is that Montenegrins control the central government. Montenegrins hold many high positions in the secret police and in the army, and presumably have undergone rigorous screening as a result of the defections of so many leading Montenegrins. The capitol of Montenegro has been moved from Cetinje to more populous Titograd which the government has enlarged in connection with its reconstruction program. Some large construction projects have been undertaken in Montenegro including the drainage of Lake Scutari bordering on Albania. Belgrade has not, however, relied solely upon buying Montenegrin support through catering to its economic and cultural ambitions. Army personnel from other areas are billeted in Montenegro and any attempted uprising by Montenegrins would be faced with immediate armed action.

(3) Prospective Restoration of Soviet Control. The choice between toleration of the present regime or acceptance of Soviet domination has tended

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to convince most Yugoslav citizens that they are better off with Tito. Nevertheless, there constantly hangs over them the threat of the reestablishment of Soviet control over the country. The reported decision of the Yugoslav General Staff to withdraw to the Bosnian-Montenegrin redoubt in the event of Soviet or satellite attack in the northeast, while feasible militarily, presents certain political problems. Under this plan the populations of Vojvodina, Srem, Slavonia, and even Macedonia face the prospect of certain subjection to Cominformist control in case of an outbreak of hostilities. There is some evidence that this has affected their morale. It may eventually affect their willingness to give full support to Tito for which they might feel that they soon will have to pay. Reaction to a recent communique issued by Tanjug, but subsequently repudiated, on a large Cominform overflight (100 planes) of Macedonia indicates a jittery state in that area. The large Hungarian, Slovak, and Rumanian minorities and the delicacy of the Macedonian political setup lend leverage to Cominform subversive and propaganda activity. Macedonian political instability plus the traditional anti-Belgrade sentiments in Croatia, if coordinated with troops movements along the borders, frontier incidents, and overflights by Cominform aircraft, guerrilla forays, and intensified propaganda might have the effect (a) immobilizing large sections of the population and (b) causing others to reconsider open and vigorous support of the Tito regime.

With respect to all of these political weaknesses, it should be noted that the Yugoslav government is acutely aware of them and is constantly employing measures, including ruthless police action, to keep them in check. Short of armed intervention in the country, there appears no reason to believe that the stability of the regime will be affected by either one or all.

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B. Economic Vulnerability

In the economic field, the vulnerability of the Tito regime arises from a combination of factors: a backward economy, weakened by a destructive war; an overambitious program of capital expansion and general state expenditures conducted more with enthusiasm than competence; a resulting situation of overwork and underpay for a large portion of the population; and a state of near bankruptcy in foreign economic relations; and special strains resulting from the 1950 drought.

In imitation of the USSR, Yugoslavia earlier even than the remaining Soviet satellites developed an initial five-year plan of heavy construction and industrialization. It was motivated by the idea that new industries would absorb part of Yugoslavia's excess rural population, and at the same time provide agriculture with a larger market for its produce and a source of modern implements and consumer goods. Tito was also influenced by a desire to broaden the proletarian base of the regime, develop munitions industries, and enhance the prestige of his regime.

As a result of this plan an inordinate amount of labor and capital has been channelled into the production of investment goods -- new factories, new roads, etc. A correspondingly low portion of the national income has been allocated for private consumption -- only an estimated two-thirds as compared with three-quarters in countries like France and Italy. Products which could have been exported such as lumber and metals have been consumed in the process of industrialization, while capital equipment and raw materials rather than consumers' goods have been imported.

Such a program necessarily meant austerity for the population even if

executed with skill and foresight. Actually it has been carried through in a country which is short of administrative, managerial and engineering talents and all but lacking in skilled industrial labor. Faulty direction and execution have led to considerable waste of effort and investment.

Yugoslavia's close connection with the Soviet world until 1948 exacerbated rather than alleviated its economic troubles. The USSR and its satellites extended credits to the Tito government in the amount of some \$70 million, much of which are probably unpaid. They also supplied limited amounts of capital goods and sent a few planning experts and technicians. But the Kremlin was neither willing nor able to support the Yugoslav industrialization scheme. Tito's violent reaction against Yugoslavia being reduced to the status of a "colonial" economy was, of course, one of the principal reasons for his break with Moscow.

The Soviet bloc's economic boycott complicated Yugoslavia's supply position for a temporary but trying period during which the switch was being accomplished. Since the shift, however, Yugoslavia has found itself better provided with goods -- credited, granted, or paid for -- than before. But the constant external and internal threat from the Soviet bloc compels the regime to keep a large army on the alert and thus constitutes a constant drain on its resources. A severe crop failure in the current crop year has added to Yugoslavia's troubles by depressing the standard of living -- which even before had not reached its prewar mark -- and by aggravating the balance of payment troubles.

Of the three major reasons which make Yugoslavia dependent on Western help, one -- the current food shortage -- will in all probability be short-

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lived, it being likely that the 1951 crop will again be more or less normal.

The second -- danger of military attack -- will continue and will force Yugoslavia, even if it should not materialize, to remain an armed camp. The country will continue to depend on armaments and related supplies from abroad, and Western help over a number of years will be necessary. This situation, however, is related to security from external attack and not to internal stability.

Judged from the economic point of view the need for Western support for Yugoslavia's development plans can be substantially resolved, probably with beneficial results rather than adverse effects. There are indications that Yugoslav leaders have begun to understand the issues involved in this situation, but their willingness to make necessary adjustments seems somewhat tempered by their belief that the singular position they now occupy on the international scene gives them a unique opportunity to realize at least some of their pet projects at foreign expense. Sound economic policy counsels reduction of the investment rate so as to allow an improvement of the standard of living at least to its prewar level; the development of light and medium industries rather than heavy industries because the lighter industries absorb more surplus manpower per unit of investment; and the development of an export-import program designed to restore the liquidity of Yugoslavia in its foreign economic relations.

Western assistance, therefore, does not appear to be a decisive factor with respect to Tito's chances of survival in the face of internal problems. The risk of a revolt on economic grounds is negligible under almost any foreseeable circumstances. The Yugoslavs are accustomed to a modest livelihood --

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a large portion of the peasantry being more or less self-sufficient anyhow -- and will generally be satisfied if their immediate modest needs are met and they have the prospect of some just improvements. The police appear adequate to take care of such as may feel otherwise.

III. POSSIBLE SOVIET PRESSURES ON YUGOSLOVIA DURING 1951

Moscow in its effort to weaken the Tito regime has already made extensive efforts to capitalize on all of Yugoslavia's vulnerabilities. It has in fact applied the strongest economic, political, and psychological pressures short of war of which it is capable. The USSR and its satellites have established an economic blockade against Yugoslavia, and have inspired, and perhaps directly promoted, sabotage and subversive activity against the regime. They have renounced their mutual assistance pacts with Yugoslavia, virtually suspended diplomatic relations, and harassed and intimidated Yugoslav diplomats abroad. Yugoslav minorities in Rumania, Czechoslovakia, Poland, Hungary, Bulgaria, and the Soviet Zone of Germany have been subjected to intimidation and discrimination. Ideological pressures have been maintained upon the leaders of the Yugoslav Communist Party and propaganda advantage has been taken of every decision and difficulty that promised to redound to Tito's disadvantage.

Moscow has given every indication that it intends to continue these pressures indefinitely. The Yugoslav Government, however, has so far shown itself capable of withstanding them. Moreover, the period of maximum susceptibility to such pressures has presumably passed. The regime has had nearly three years in which to purge Cominformists from the Party, government, army and police; diplomatic isolation from the East has been compensated by increasing Western support; the economic structure of the country has survived the critical interval during which supplies from the West were not available

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to offset the Eastern boycott; and the food crisis resulting from the 1950 drought has, with US aid, been met without apparent political repercussions. It therefore appears highly unlikely that indirect Soviet pressure will prove successful in the future.

Moscow can still supplement its present activity by attempting to stage internal violence linked with guerrilla raids from the neighboring Cominform countries. The same factors, however, that enable Tito to withstand the indirect pressures now being exerted, particularly the strength of his security forces, seem to preclude success for an operation of this type.

There remains, then, only one course of action open to the USSR that offers good prospect for the reestablishment of Soviet control over Yugoslavia: a resort to open military attack, either by the satellites with Soviet logistical support and leadership, or by combined Soviet and satellite forces.

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IV. POSSIBILITY OF DIRECT MILITARY ATTACKA. Political Indications

During recent weeks there has been increasing speculation that the Soviet Union has in fact decided upon military action against Yugoslavia, probably this spring. This speculation has been based partly on the military situation and partly on political developments, notably (1) the apprehensive attitude of Yugoslav officials, (2) the current trend of the Soviet-satellite war-of-nerves against Yugoslavia, and (3) internal political and economic measures carried out in the satellite countries.

1. Attitude of Yugoslav leaders. Yugoslav leaders in the last few weeks have shown an increasing concern that the USSR is preparing the armies of Bulgaria, Rumania, and Hungary for an early attack on Yugoslavia. This is reflected in: (a) a series of statements by Marshal Tito; (b) the approval by the Yugoslav Parliament on December 28 of a record defense budget of 29.1 billion dinars; and (d) approaches by Yugoslav officials through Western intelligence and diplomatic channels on the subject of arms assistance from the West.

Marshal Tito on December 22, 1950 in his order of the day asserted that the purpose behind the long series of Cominform charges against his regime was the psychological preparation for war of the peoples of the USSR, the satellites, and the world for the moment when the Kremlin might choose to strike at Belgrade. In his interview with a UP correspondent on January 6 Tito stressed that the systematic propaganda campaign waged by Albania, the Hungarian notes, and border clashes with all of the neighboring satellites were all part of an organized campaign to represent Yugoslavia as a potential aggressor and a

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threat to world peace, so that in case the Cominform decided to try to realize its aggressive aims through direct action its steps would appear justified.

Two key military leaders in speeches on December 21, Yugoslav Army Day, bitterly referred to the USSR's aggressive designs against Yugoslavia. The increasing threat from the Soviet satellites was also touched upon by Assistant Minister of National Defense Colonel General Ivan Gošnjak in Zagreb December 25 and by Major General Djuro Lončarević in Belgrade December 21. Foreign Minister Kardelj in his foreign policy speech before the Skupština at the end of December noted as indications of worsening relations (1) the continuation of provocative acts along Yugoslavia's frontiers; (2) the inhuman treatment given Yugoslav nationals in the neighboring Cominform countries; and (3) the abuse and maltreatment given the Yugoslav diplomats abroad, particularly in Albania.

Apparently in consequence of heightened anxiety over a possible Cominform attack, Yugoslavia has intensified its efforts to improve relations with its non-Cominform neighbors, Austria, Italy, and Greece. The Yugoslav press officially announced January 30 that diplomatic relations had been fully restored between Yugoslavia and Austria and legations would soon be opened in Vienna and Belgrade. Yugoslavia and Italy signed an agreement in Rome December 23 settling outstanding economic and other questions arising out of the provisions of the peace treaty with Italy, including a reparations settlement, compensation for nationalized Italian property, and the rights of persons who had opted for Italian citizenship. In early January the first

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group of an estimated 2,800 Italians deported to Yugoslavia during and after World War II from Trieste and Gorizia returned to Italy. [REDACTED]

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[REDACTED] Yugoslavia was revising its attitude on the final disposition of Trieste. [REDACTED]

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[REDACTED] might consider a "joint administration" of the area by both Yugoslavia and Italy. Talks with Greece on the resumption of trade, suspended since 1946, were proceeding in Athens and on January 27, the Swedish Red Cross announced that Yugoslavia would return 400 Greek children in the next three months. A telecommunications agreement was signed February 2 concluding negotiations which began January 22. The agreement provides for the operation of most of the telephone circuit Belgrade-Skopje-Salonika within a month. Rados Jovanovic, Yugoslav Ambassador in Athens, said January 4 that Yugoslavia would not enter a formal military pact with Greece but would "assume its legal obligations" under the UN if Greece were the victim of aggression. Jovanovic said that he expected Greece would do the same if Yugoslavia were attacked.

The present concern of Yugoslav leaders is in sharp contrast to their previous expressions of confidence that a Cominform attack was unlikely. It is entirely possible that this shift is in part designed to increase Western apprehension over Yugoslavia's fate and thus to stimulate greater assistance. It appears noteworthy, however, that although every effort was made to capitalize on Western concern that Tito might fall, the tactic of arousing apprehension over a possible military attack, ~~was not~~ employed by the Yugoslavs in previous negotiations, including those relating to support for

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aid in the drought emergency. It is also possible that the growth of alarm may in a large part be due to a simple reaction to the heightened tension arising out of the Chinese intervention in Korea. The possibility cannot be discounted, however, that it derives from intelligence reports of activities in the satellite area that indicate a real increase in the possibility of attack. This interpretation is reinforced by the obvious nervousness and agitation which Yugoslav leaders and diplomats have displayed in private discussions

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of importance that the Yugoslavs are presently making overtures, albeit circumspectly, for arm assistance, something that has previously been eschewed.

2. Nature of Soviet Satellite war of Nerves Activity. Yugoslav leaders profess to have recently noted a new and ominous note in the Cominform's psychological campaign against Yugoslavia. They have especially emphasized an alleged sharp increase in the volume of propaganda attacks and an increasing employment of political and psychological tactics of the type that might be expected to precede the launching of hostilities.

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While the Cominform's war-of-nerve against Yugoslavia continues alarmist, it has actually shown little change during the past few months. There is constant emphasis on Tito's aggressiveness, alleged border violations and preparations for offensive operations, and hints of the inevitable day of reckoning. But all of these and the many related themes made their appearance not later than the summer of 1950. Although the themes obviously encompass the gamut of those required for psychological preparation for war, there is nothing about the current treatment that raises a unique danger signal.

Border incidents have recently occurred on the Albanian, Bulgarian, Hungarian and Rumanian frontiers, and each of the capitals involved has exchanged sharp notes with Belgrade on this point. Bulgaria, Hungary and Albania have protested alleged violations of their air space. A January 20 communique of Tanjug, subsequently recalled, charged a large overflight of Yugoslavia by Cominform planes. Recent trials conducted at Nis and Novi Sad produced allegations that Hungary and Bulgaria have been engaged in subversive activities against Yugoslavia, but there is no firm evidence that the activities in question were of recent origin. Yugoslavia has enough Cominform elements imprisoned to stage a trial of this nature at any time.

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Although Moscow radio propaganda against Yugoslavia has increased sevenfold over 1948, it has been slightly reduced during recent weeks while that of the satellites has been slightly increased. The following are

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typical examples of the current Moscow propaganda line on the Yugoslav question (these examples, with hardly any change, would be equally typical of the line of last summer):

(1) Article in the Cominform Journal by Vladimir Poptomov, member of the Bulgarian Politburo, entitled "The Role of the Tito clique in the Aggressive Plans of the Anglo-American Imperialists in the Balkans," was re-broadcast by Radio Moscow on February 4. The emphasis is on the charge that "Judas Tito" is carrying out obediently the tasks set for him by the Americans, namely of "preparing Yugoslavia as a deployment area for an aggressive war." The article emphasizes that the "Titoites, with the Greek monarcho-fascists are preparing an aggressive military bloc in the Balkans which is to include Greece, Turkey, and Yugoslavia" and which will be linked with the Atlantic Pact.

(2) Radio Moscow in Slovene February 2 declared that Tito's opening of the Austrian frontier was designed to ease the American problem of supplying arms to Yugoslavia. At the same time the broadcast played upon Slovene antipathy for the Austrians by asserting that "all Austrian war criminals have long since been released from Yugoslav prisons."

(3) Radio Moscow declared on January 27 in Macedonia that the Greek-Yugoslav rapprochement has brought even greater suffering to the Macedonian minority in Greece because of Venizelos' avowal of "severe measures against the Macedonian democrats abandoned by Tito."

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(4) Radio Moscow on January 18 asserted that the fact that Western military attaches were invited to attend the Yugoslav army maneuvers in Bosnia is evidence of Tito's connivance with the "Western imperialists."

(5) From late December until the first week in January, Radio Moscow implied that Tito's military machine was weak by frequently claiming disaffection in the Yugoslav Army, and Army resistance to Tito.

The satellite radios generally are parroting the Radio Moscow line, although both Radio Tirana (January 31) and Radio Budapest (January) highlighted the progress being made by anti-Tito elements in Yugoslavia. Tirana declared that "the Yugoslav people will never fight against the USSR and the countries of the peoples democracies" and Budapest extolled the leadership of the "new Yugoslav Communist Party."

A slight variation in the established line was noted in Radio Sofia's January 31 broadcast of an editorial from Rabotnichesko Delo, organ of the Bulgarian Communist Party. The article -- entitled "How Tito Sold His Country" -- asserted that "one day the State Department may announce to the world that the Communist aggressors have invaded Yugoslavia." The editorial then made the following points: (1) the UN will agree with State Department and without studying the situation will take the necessary steps for the use of German forces on the grounds that aggression is threatening Europe; (2) the American people will have no chance to learn of the deception or that Tito has been used to hide the aims of the imperialists; (3) Syngman Rhee was used in this way in Korea; (4) Tito is used to defending Wall Street.

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which through Anaconda Copper has gotten Yugoslav copper, through Mellon interests has secured Yugoslav bauxite, and in general has managed to control all Yugoslav mining through Mackenzie Engineering Company; (5) despite forced labor, and a police state Yugoslav workers, peasants, and youths are uniting themselves behind the new Yugoslav Communist Party, and are fighting against Tito's tyranny.

3. Internal Political and Economic Measures of Satellite Countries.

During recent weeks there have been in each satellite a succession of political and economic developments that at least suggest the possibility of hurried preparation for military action:

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Albania

(a) reported in January that Soviet air force personnel were in Tirana for the first time. Earlier there had been an increase in the number of civilian and military "experts" in Albania. In November Albania was visited by Assistant Foreign Minister Anatolj I Lavrentijev, a Soviet Balkan expert and former Ambassador to Yugoslavia, at the time of the break. Mikhail Tarasov, first vice-president of the Supreme Soviet also appeared in Tirana in November. Recent reports indicate an influx of Soviet personnel into the Foreign Ministry and an increased Soviet activity in the fields of culture and education.

The heightened interest of the USSR in Albania might be motivated more by a desire to bolster a faltering ally than by a plan to use Albania as a base for operations against Yugoslavia, although the presence of additional Soviet personnel gives the USSR greater capabilities in that direction. There

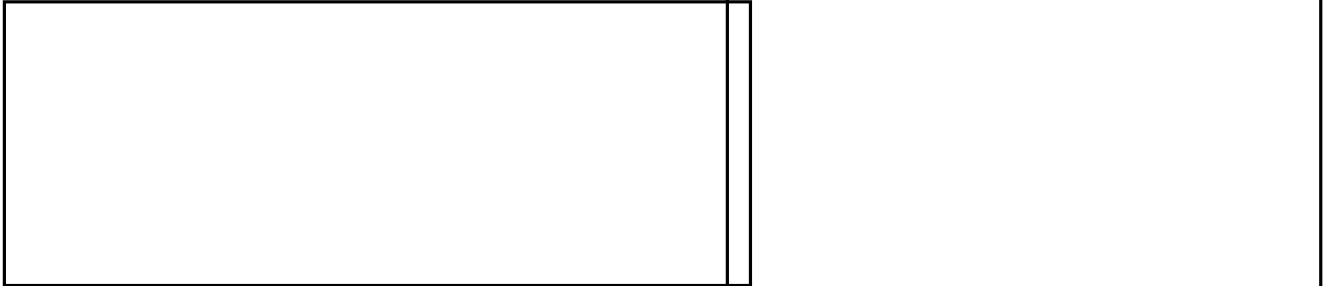
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is recent evidence of Albanian jitteriness



(b) There has been a marked increase in shipments of food and other supplies to Albania from the orbit and indication of some food stockpiling.

Bulgaria

(a) Internal propaganda has emphasized the increasing efficiency of the Bulgarian Army in its efforts to master the tactic of the "great Stalin" and has placed heavy emphasis on the new soldiers' oath which accents militancy.

(b) At the swearing-in ceremony of the last group of Bulgarian recruits called to the colors a special order of the day was read attacking Yugoslavia.

(c) The budget for 1951 presented by Finance Minister Kiril Lazarov December 28, 1950 provided for expenditures for military purposes 25% higher than the 1950 budget.

(d) Rationing of electric power was ordered on December 6, 1950.

(e) Recent press report from Vienna quoting an Austrian official just returned from Rumania said that both Bulgaria and Rumania were sending grain into the USSR for storage.

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(f) The National Assembly on November 9, 1950 provided a stiff penalty for anyone responsible for the destruction, deterioration, or dilapidation of State or cooperative property.

(g) A new Ministry of Food Supplies was created by a decree of January 6, 1951 under the leadership of the ex-Minister of the Interior Ruzi Hristosov, one of the outstanding troubleshooters of the regime.

(h) An October 25 decree providing that all Soviet nationals, regardless of how and when they acquired Soviet citizenship, shall enjoy the same rights as Bulgarians regarding employment, and should be permitted to practice their professions without the license required of other aliens.

(i) The November 28 decree appointing women to virtually all posts in the transportation sphere. The decree further provided that only women would be permitted to enter professional schools for transport administration and the upper transport school.

(j) In recognition of the storage and warehousing problems the Council of Ministers created on November 9 a State Warehousing Board headed by Central Committee member Boris Taskov with the rank of Minister.

(k) Extraordinary security precautions prevail in the Kula and Petric areas and in general in all of Pirin Macedonia. There is in addition considerable evidence to indicate large-scale evacuation operations in the Yugoslav border areas.

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(1) Since early in 1950 Bulgarian Party leaders have emphasized that without loyalty to the USSR no loyalty to the "fatherland" is possible. Party leaders and cadre commissions have been especially screened to determine loyalty.

(m) The law for the Defense of Peace was passed at an extraordinary session of Parliament December 25.

Czechoslovakia

(a) Bread rationing introduced in December 1950.

(b) Emphasis on heavy industry at expense of traditional light industry stepped up in late 1950.

(c) Refusal to let the US Military Attache go to Slovakia in December 1950, possibly forecasting drastic curtailment of the movement of foreigners.

(d) Peace law adopted December 29, 1950.

(e) Blood-typing and banking carried out in Prague in December 1950.

(f) Bill introduced in December 1950 authorizing the allocation of physicians and nurses in the event of an emergency.

Hungary

(a) Rationing of gasoline and lubricants on January 1, 1951 and sugar and flour January 2.

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(b) On December 30, 1950 the various ministries were ordered to prepare emergency programs during January to speed up industrial production, develop ersatz substances, and to insure the strictest economy in all branches of production.

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(d) At the end of 1950 the Ministry of Heavy Industry was split into the Ministry of Millworks and the Ministry of Mining and the Ministry of Public Welfare was divided into the Ministry of Health and the Ministry of Supply.

(e) On January 19, 1951 all diplomatic personnel were restricted to within 30 kilometers of Budapest.

(f) On August 17, 1950 the central organ of the Hungarian Workers Party (Communist) announced that the Warriors of Liberty, paramilitary outfit, would be enlarged by the inclusion of "hundreds of thousands of workers" and transformed into a militia. The article stated that the members of this militia would be considered a voluntary reserve of the regular army and that they would "learn everything necessary for the defense of their fatherland." On December 13, 1950 a decree ordered all university students to start military training February 1, 1951.

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(g) Law for the Defense of Peace passed December 8, 1950.

(h) The 1951 Hungarian budget adopted on December 4 increased military expenditures.

Rumania

(a) Gasoline rationed for first time September 1, 1950.

(b) Some civil defense measures have been taken in recent months, including building towers for airplane observation and erection of a few searchlights.

(c) More stringent travel restrictions are now being enforced in the Constanta and Timisoara areas where most Soviet troops are located.

(d) Unconfirmed reports in January of the creation of a special force to protect Soviet citizens in Rumania.

(e) Law for the Defense of Peace passed December 15, 1950.

(f) The Ministerial Council and the Central Committee of the Rumanian Workers Party passed a law February 3 "strengthening labor discipline in the oil fields."

Poland

(a) New Polish Army oath of July 1950 includes obligation to "stand indomitably guarding peace beside Soviet and other allied armies."

(b) Evidence of considerable tightening of border restrictions on civilians in 1950, particularly along seacoast.

(c) Law for the Defense of Peace passed December 29, 1950. It apparently makes a roundup of pro-Western elements possible in the event of a sudden emergency.

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(d) Karoszewicz, formerly Quarter-master-General and Vice-Minister of Defense, added to the State Economic Planning Commission as Vice-President possibly denoting greater attention to military requirements of the Six Year Plan.

(e) Gasoline rationing instituted on January 27, 1951 for the first time.

In all of the satellites there have been reports of extensive stockpiling, evidence of a steady growth of "military mindedness," and heavy internal stress on the immediacy of the threat of a new war.

While these several developments, and those listed above, are all of a type that would probably be necessary for completion of satellite readiness for hostilities either against Yugoslavia or some other area, all could well be designed merely to achieve such ends as improving the security of the satellite states during a period of heightened international tension, overcoming immediate economic problems, furthering sovietization, and strengthening the power position of the ruling regime.

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