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STAFF NOTES:

Soviet Union Eastern Europe

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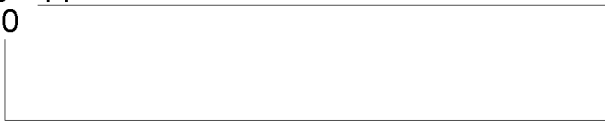
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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome.



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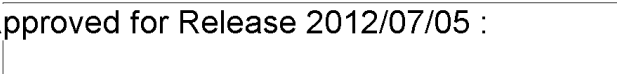
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Shelepin Visit to FRG
Could Provoke Incident

Soviet trade union boss and Politburo member Aleksandr Shelepin is expected to arrive in West Germany on Thursday for talks with West German trade union leaders.

The visit is part of a broader Soviet campaign to strengthen ties with individual West European trade union organizations and develop multi-lateral East-West trade union contacts in an effort to increase Soviet influence in labor matters. Shelepin has been in East Germany on trade union business since January 27.

Shelepin and his West German hosts are handling the visit gingerly to avoid stirring up the embers of a 1959 Bavarian criminal case. Shelepin, later head of the KGB, was implicated in the murder of Ukrainian exile leader Stepan Bandera by Soviet agents. There is no warrant for Shelepin's arrest outstanding, but any West German citizen could request one and prosecutors from individual West German states could obtain one. At the least, Shelepin's visit will probably arouse some unfavorable publicity.

The West Germans have tried to keep the visit quiet and short. West German trade union federation chairman Vetter, anticipating a negative public reaction, has declined to be Shelepin's official host.

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Prague Moderates, Hard-liners May End Dispute

The US embassy in Prague reports the city is rife with rumors that imply moderates and hard-liners in Czechoslovakia's top leadership are close to resolving their prolonged, sharp differences over management of the economy.

The moderate faction, led by party boss Husak, has long recognized the need for better management of the economy. The hard-liners have insisted that ideological purity is more important than professional expertise, particularly in staffing the middle and top levels of the economic bureaucracy. During the past year, they have been able to put up a particularly stiff fight because of Moscow's demands that ideological discipline be tightened in the face of detente.

In response to the Soviet prodding, Prague undertook a "comprehensive cadres review" of the professional and ideological qualifications of its bureaucrats. Many officials lost their jobs and party memberships during the review. The regime was thus deprived of badly needed expertise--a situation worsened by the adamant refusal of the hard-liners to give jobs to persons ostracized for their activities during the "Prague Spring."

By fall, the division in the leadership had become so sharp that Husak reportedly attempted to outflank his opposition by taking his case for moderation to the lower levels of the party.

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[REDACTED] A spate of regional party meetings devoted to "critical and frank" discussions of the plenum's decisions, have fed the rumors that changes are in the offing.

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We have seen no evidence to support the rumors that the dispute has, in fact, been resolved. Indications are that Husak is very much in control and enjoys the support of some powerful leaders who agree that the country is chronically short of good managers. Some form of moderation may thus occur. Whatever changes are made will be tempered by the need to preserve the delicate balance between moderates and conservatives.

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USSR: "Reform" in the
Industrial Supply Sector

The current issue of *Ekonomicheskaya Gazeta* reports that a new system of measuring the output of enterprises in the Soviet industrial supply sector has increased the efficiency of these organizations substantially. According to an official of the State Committee for Material and Technical Supply, an experiment was conducted in which supply organizations were rewarded according to how completely they met their contracts to supply industrial customers with raw materials, semifinished goods, and other inputs. In the past, they have been judged primarily on sales volume. Industrial customers complained of late deliveries, of delivery of products that did not meet specifications, or of receiving items that were not ordered. The result was that their own output plans were jeopardized.

The change may appear to be a modest injection of common sense, but immediate, wide-scale adoption of it is unlikely. Determination of contract fulfillment must be done by hand calculation until a computerized mathematical model now under development is available.

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