EASTERN EUROPE

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NOTICE

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Publication No. L62-152

INDUSTRIAL COLLEGE OF THE ARMED FORCES

Washington, D.C.

Dr. Ferenc A. Vali, Professor of Government, University of Massachusetts, was born in Budapest, Hungary, on 25 May 1905. He received his education at the University of Budapest (law) and the University of London (Ph. D). From 1932 to 1943 he practiced law in Hungary and taught international law in the University of Budapest. During World War II, the Hungarian Government sent him to Turkey on a confidential mission to make contact with Allied Powers, and from 1943 to 1946 he lectured at the University of Istanbul on international law. Returning to Hungary after the war, he served as international law adviser to the Hungarian Ministry of Finance, and resumed teaching at the University of Budapest until he was banned from the faculty and the Ministry by the Communists early in 1949. In 1951, Dr. Vali was placed under political arrest and spent five years in prison. He was provisionally released five days before the outbreak of the Revolution in Hungary in October 1956. When the Revolution was crushed he and his wife escaped into Austria. With a fellowship from the Rockefeller Foundation, he did research in London, Paris, The Hague, New York, and Washington. From 1958 to 1961 Professor Vali was a research associate at the Harvard Center for International Affairs, and was appointed to his present position in September 1961. He has published works in the field of international relations and international law. His two recent major publications are: "Servitudes of International Law--Rights in Foreign Territory," (London-New York, 1958), and "Rift and Revolt in Hungary--Nationalism Versus Communism," (Cambridge, Mass., 1961). This is his first lecture at the Industrial College.

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COLONEL deCAMARA: We close the lecture portion of Units VI and VII this morning by turning our attention to a region of the world which presents today one of the great issues in the current East-West struggle. To speak to us on the subject "Eastern Europe" we are privileged to have this morning a man who gained some of his knowledge, at least, the hard way. You have read in his biographical sketch that he spent five years in a Communist prison camp and he was in Budapest at the time of the Hungarian revolt.

It is a pleasure to welcome here this morning and to introduce to the students and faculty, Dr. Ferenc Vali, Professor of Government of the University of Massachusetts. Dr. Vali.

DR. VALI: Admiral Rose, Gentlemen: I really feel privileged for being allowed to address you this morning. My task is rather difficult because I could tell you a lot, but time does not allow me to do so, so I will instead indulge in generalities. However, I hope that later in the question period you will ask me specific questions which I will answer to the best of my knowledge.

To start with, I should first like to cast a brief glimpse into the history of the nations of East Central Europe, because this history might shed some light on their present status and offer some useful analogies. Unfortunately for them, these small nations of Eastern Europe seem to be destined in the course of history to serve as a buffer between their more powerful neighbors. Poland, for centuries, stood between Russia and Germany. The Czech Kingdom was soon absorbed by the Hapsburg Empire. Hungary was a battieground between the Ottoman and the Hapsburg Empires, and finally fell to the former. And in the Balkans their people for centuries lived first under the Byzantine and then later under Turkish rule.

After World War I Germany lay prostrate, Russia turned Communist, and excluded herself from the game. So in the interwar

period these nations might have stabilized their status had it not been for intraarea boundary disputes, hostile alliance systems, which rendered solid cooperation between them impossible. So, when German imperialism under Hitler reemerged and the Soviet Union was again in the position to prepare a thrust against the weak element, the fate of these countries seemed again to be doomed.

The Western Powers, after World War II, undertook to save with what in our present eyes might seem old-fashioned diplomatic devices the independence of these nations. But, as you know, only Austria was saved. The rest were lost and fell victim to Soviet communism and imperialism. By 1948 in Poland, in Czechoslovakia, in Hungary, in Rumania, in Bulgaria, and in Albania, as well as in East Germany, full-fledged Stalinist dictatorships obeyed their masters of the Kremlin. Only Yugoslavia, while remaining Communist, was able to extricate herself from the clutches of Moscow.

Let us envisage, for a moment, the state of affairs in their numerical geopolitical aspects. Including East Germany but excluding Yugoslavia, the population of these so-called "satellite" or "captive" countries, numbers nearly 100 million--that is to say, a little less than half the population of the Soviet Union. When considering that the ruling ethnic in the Soviet Union, the Great Russians, only number less than 60 percent of the population of the Soviet Union proper as against such minority groups as the Ukrainians, the Byelo-Russians, the Baltic peoples, the peoples of the Transcaucasia, the Central Asian Turkish peoples, and others, it would appear that the Great Russian element is dominating a population vastly superior in numbers.

In the years following 1949, until Stalin's death in 1953, the whole area--the East Central European area--gave the impression of a monolithic uniformity. Everywhere, in each of these seven countries, there was an autocratic personal dictatorship after the Stalinist model. Everywhere they started with the building of socialism, the nationalization of industry, and emphasis on the expansion of heavy industry; and also the concomitant exploitation of workers, a lowering of the standard of living, attempts at collectivization of agriculture were undertaken everywhere; and all of this with the help of the security police, terror, executions, imprisonment--including the purging of leading party leaders--all of this after the model introduced by Stalin before and after World War II.

Now, this apparent uniformity and strict adherence to the Soviet Stalinist pattern did mislead many scholars and statesmen who were inclined to identify the whole area as one of having identical problems and using identical solutions for the same problems; and also identifying the whole area with the Soviet Union. This proved to be erroneous. Although the party and governmental structures of these countries were and are largely similar, and the Communist methods were similar too, and the minds of the Moscow-trained Communist leaders were also identical. But, under the skin, these countries differ from Russia and differ among themselves. It is absolutely wrong to generalize indiscriminately over such different countries as East Germany and Bulgaria, or Poland and Yugoslavia. The human element is different, and the physical and economic conditions are also different.

Speaking of the ethnic structure of the Poles, the Czechs, the Bulgarians--they are Slavs. The Czechoslovaks are Slavs. But even they differ. The Poles are, as history has shown, anti-Russian Slavs, whereas the Czechs, not so much the Slovaks, have pan-Slavistic inclinations. On the other hand, the Germans, of course, are not Slavs nor are the Hungarians or the Rumanians; nor the Albanians. And culturally, the Poles, the Czechs, Slovaks, and Hungarians, have always been Western-minded. They are either Protestants or Catholics, whereas most of the Rumanians and all the Bulgarians belong to the Eastern Church.

The Albanians are even more divided. They are partly Moslem, partly Greek Orthodox, and partly Catholic. All these divergencies are playing a very important role, and under these different influences the national and individual reactions, as against Communist and Soviet rule, are different.

To examine briefly the political developments in the individual satellite countries after Stalin's death I would like to leave Yugoslavia aside because Yugoslavia is not a satellite country and the trend of development there has been entirely different. Speaking generally, soon after Stalin's death the terror, the economic exploitation, et cetera, somewhat subsided in all the satellite countries. And so, even outwardly, uniformity came to an end. It was probably the East German uprising in June 1953 that persuaded the Soviet leaders that some leniency was necessary; some improvement in the standard of living was required, otherwise the whole applecart might be overturned. It was in Poland and in Hungary that the changes were most marked. In Poland a slow evolution took place starting in

December 1953, when the Security Police Colonel Swiatlo defected to the West and made disclosures about police terror and the political immorality in his country.

Gomulka, who was spared unlike the other anti-Stalinist leaders, was released in December 1954. Now, after the Stalinist dictator's death, the party--the Polish Communist Party--got split between the moderates and Stalinists, and under the attack of intellectuals the Stalinists were slowly demoted. Then came the uprising--the Poznan uprising--in June 1956, and finally in October of that year Gomulka was elected First Secretary of the Party. This election was like a revolt against Soviet domination because for the first time in the history of the Soviet Empire was it possible that a First Secretary could be elected against or without the approval of Moscow.

What happened thereafter is well-known. A Soviet Delegation intervened. There were threatening troop movements. However, the Soviet leaders finally accepted Gomulka and soon Gomulka proved to be quite trustworthy to the Soviet leaders. He introduced certain liberalism and what is called in Poland, "domesticism." He used a different approach to the Catholic Church, and collectivization of agriculture was abandoned. Poland is still the most liberal of all the satellite countries. Security Police interference is somewhat reduced, but it should not be forgotten that Gomulka recognizes Soviet leadership, especially in foreign affairs and matters of defense, and he adheres to the basic Communist principles.

Hungary proved to be a different cup of tea for the Soviets. Here the terror had been most violent. In 1953 the Stalinist leader, Rakosi, was replaced as Premier by a moderate humanitarian Communist leader, Imre Nagy. But Rakosi still remained First Secretary of the Party. So there was a dual leadership. Rivalries ensued, and after two and one-half years, under the impact of Malenkov's demotion, Rakosi was able to have Imre Nagy ousted by Moscow, and he was again the sole ruler of Hungary but with certain strings attached. Here as in Poland there was a split in the party. There was opposition to Rakosi and the Stalinists. And after the 20th Soviet Party Congress in July 1956, Rakosi was deposed, but not by the Hungarian Party leadership, but by Moscow. And not a Gomulka-like person was put in his stead, but another arch-Stalinist.

The opposition and the people demanded the reinstatement of Imre Nagy and the punishment of the Stalinist leaders. Finally, the

Polish events gave rise to demonstrations, shooting in the streets started, and the government was impelled to call for Soviet help. The first Soviet intervention proved to be unsuccessful. In the meantime Nagy had been catapulted back into the post of Prime Minister and under the impact of the success of the Freedom Fighters the Communist Party disintegrated, a multiparty government was introduced, and free elections were promised.

Here I want to point out very strongly to you the difference between the events in Poland and in Hungary. In Poland it was a revolt within the party, though supported by the people. But in Hungary it was not the party that revolted against the Soviet rule, it was the people, the street, and so, while the Communist Party was trying to reform itself, it lost all control over the country, whereas the Polish Communist Party had never lost its control. Thus, by the last days of October 1956, the Soviet leaders realized that they would lose Hungary unless they were to intervene with more strength and violent means.

As you know, the revolution was suppressed and the Soviet Forces installed a man named Kadar as the party and governmental leader. The suppression was followed by terror, executions, imprisonments, and the full restoration of the Communist Party to power. Thus Hungary, in the years immediately after 1956 was just as much under Soviet control as during the Stalin era.

None of the other satellite countries experienced such climactic crises. Czechoslovakia, while highly industrialized, has never been exploited as much as East Germany or Hungary, and the oppression was, perhaps, less violent. There was no dramatic change in leadership. When the Stalinist dictator Gottwald died, he was replaced by another essentially Stalinist leader, Novotny, who is at present, the President of the Czechoslovak Republic and also the party leader.

In Rumania the party rule was always less efficient. The resistance of the people is being expressed in various devious ways, through sabotage and corruption. The leadership is constantly shifting and the present powerful leader, Gheorghiu-Dej, was able to rid himself of all his rivals.

In Bulgaria the party is perhaps the strongest. There is an old Communist tradition there and Slav brotherhood means quite a lot to the Bulgarians. The Bulgarian Communist Party is characterized

by ruthlessness, and there was no change after Stalin's demise. The present party leader, and leader of Bulgaria, Zhivkov, was, however, able to depose the Stalinist leader, Chervenkov, although Zhivkov is just as Stalinist as Chervenkov was.

In Albania they have an even more miniature Stalin, Enver Hoxha. Here the national resistance is much counterbalanced by the fear of incorporation with Yugoslavia. That is why Khrushchev's flirtations with Tito were eyed with suspicion, and, as is well-known to you, Albania has substituted Soviet control with that of the Chinese. She was able to do so because she is the only satellite which is not contiguous to the Soviet sphere of influence by Yugoslavia and Greece. Albania is now a different chapter. It is really part and parcel of the Sino-Soviet conflict and should be discussed under that heading.

In trying to sum up the political situation in the East Central European satellite area, I am still very fearful of oversimplification and generalization. Still I would submit that, apart from the temporarily increased terror in Hungary and certain restrictions imposed on all countries as a consequence of the Hungarian events, under Khrushchev the Soviets have undertaken to use somewhat different methods in their control of the satellites.

The Soviets now refrain from forcing their advice on the satellite regimes in domestic matters. They rather rely on geographical factors, the presence or closeness of Soviet power, and also the pro-Soviet attitudes of the Communist leaders. But, in all these countries certain areas of politics remain absolutely taboo, such as foreign affairs, defense matters, and the basic principles of Marxism-Leninism. And in doubtful situations the controlling voice is still that of the Soviet leaders. The resolve of the Soviet Union to resort to ultimate measures in order to keep intact its sphere of influence in East Europe has quite persuasively been demonstrated in the case of Hungary. It has been stated again and again ever since, that the Soviet Union is ready to use similar methods in order "to defend Socialism."

For the maintenance of what is often called "Soviet Colonialism," the frame of the Warsaw Treaty is being used. The Warsaw Pact of 1955 guarantees the security of the signatories. It is somewhat an imitation of NATO, but as you have seen, it is also used as a pretext for the preservation of the internal status quo. The Warsaw Treaty also serves as a pretext or excuse for the maintenance of

Soviet Forces in many of the satellite countries. As you know, there are 22 divisions in East Germany. There are two Soviet divisions, in Poland; four or five divisions in Hungary; and in Rumania, instead of the promised withdrawal, there are still at least four divisions.

There are no Soviet Forces in Czechoslovakia or in Bulgaria. In Albania, under the impact of the rift with the Soviet Union, the Soviets had to abandon the naval base on Saseno Island--a submarine base. In all these countries the regime is very much identified with foreign domination--Soviet domination--and it is essentially a national resistance which is hidden, but may from one day to another be ready again to standup against both the regime and the foreign Soviet domination.

Soviet-satellite relations are naturally affected by the Sino-Soviet rift. Another important test of these relations is the possible integration of this area into the Soviet economic sphere. Now, speaking of economics--which, of course, cannot really be separated from the political questions--you have heard that all these countries had embarked on the road to socialism by 1950. There was everywhere forced industrialization with the emphasis on heavy industry, exploitation of the workers--labor with rigorous working norms--work competitions, and other administrative devices enforcing labor discipline.

Simultaneously collectivization of agriculture was also attempted. And, to demonstrate the strain on most of these countries, I have to add that simultaneously with this program of socialization, most of the defeated countries in the last war, had to pay reparations to the Soviets. The German assets were removed from these countries, and there was an appalling discrimination in Soviet-satellite trade relations. Soviet exports were overpriced and the exports by the satellite countries into the Soviet Union were underpriced. There were also the joint Soviet-satellite trade corporations and other methods of exploitation.

As a result of all this, or rather despite all these hardships, the satellite countries were still able to make some headway in industrialization, in the increase of their capital equipment. In East Germany industry was reconstructed with enormous sacrifices by the people. Czechoslovakia, which was already highly industrialized, was able to develop further her industry. Hungary has turned from an agrarian-industrial country into an industrial-agrarian one. Poland also managed to increase her industrial potential. But in

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Poland collectivization failed totally, and it was soon abandoned. In Rumania and Bulgaria their relatively small industry had been built-up considerably.

In 1960 three of the satellite countries openly claimed to have attained the first stage for communism, that is to say, socialism. And they announced that they will proceed, thereafter, on the road to communism. These countries were: Czechoslovakia--and this is understandably a highly industrialized country--and strangely enough two rather backward countries like Bulgaria and Albania. This meant that all the capitalist remains had been eliminated and nationalization had been perfected, including nationalization of retail trades and of the professions.

Rumania has stated that she is now not far behind--actually she declared just recently that collectivization has been completed there. In Hungary, after two unsuccessful attempts at collectivization, the collectivization of agriculture was finally achieved in 1959 and 1960 through the use of rather violent methods. And East Germany was also collectivized in the same way. But in both Hungary and East Germany you still have small private enterprises in trade and industry. These are still tolerated.

Thus these two countries--East Germany and Hungary--now predict that they will achieve socialism at the end of their present 5-year plan; that is to say, by 1965. Poland is far behind in every respect. There are no forceful methods employed to collectivize agriculture, and there are many private enterprises. As a matter of fact, Poland has not even set a deadline for achieving socialism. It cannot even be said that Poland is building socialism at present.

Khrushchev's statement in January 1959 was quite interesting, when he said that the Soviet Union and the satellites would approach communism approximately at the same time. And later, in December of 1959, he said that they must synchronize their watches, figuratively speaking. Now, this synchronization of the Soviet Union and the satellite area in economics, is being carried out at present under the auspices of the Council for Mutual Economic Assistance, which is referred to as either COMECOM, CEMA, or CMEA.

This council was founded in 1949 in response to the Marshall plan which remained closed to the satellite countries. It remained on paper only, during the entire Stalinist period. It really started after the Plenary Conference in Moscow in January 1958. And

thereafter you can see a marked increase in the trade between the satellite countries and the Soviet Union. Integration has been advanced somewhat. The various 5- or 7-year plans of the area have been brought into harmony, and there is some systematic exchange of raw products and manufactured goods between the satellite countries and the Soviet Union.

There is a certain division of labor too. Some grand-scale ambitious projects are being undertaken under the auspices of the CEMA, the most conspicuous being the oil pipeline from the Volga into Germany, Czechoslovakia and Hungary. Part of it is said to be already in operation. There is a huge hydroelectric plant being undertaken jointly by Hungary and Czechoslovakia, on the Danube. But the great problem of the satellite countries is that they lack raw materials. They have been increasing their heavy industry at an enormous rate, especially the steel industry, but at the same time they lack the base for it. They lack iron and most of them lack coal.

East Germany and Hungary don't have sufficient coal and practically no iron ore. Poland has coal but she has no iron ore. The industrially more advanced satellite countries are lacking in food--East Germany, Czechoslovakia--even Hungary, formerly the food basket of Europe, has no sufficient food.

At the same time, all these countries along with the peoples of the Soviet Union, wish to improve their standard of living. But further industrialization can only be carried out at the expense of the standard of living. All the satellite countries, except Czechoslovakia, badly lack capital. They need credit. So far, the Soviet Union has provided them with credits and cancelled some of their debts. This is known to be the second phase.

First there was the phase of outright exploitation. Then after 1956 the Soviet Union was trying to help the satellite countries economically by granting them credit. From 1956 to the end of 1958 $1,440 million worth of credits were given by the Soviet Union to the satellite area. But now we have probably reached the third stage where the Soviet Union is refusing further credit and the time has come for the satellite countries to repay their debts. All the satellite countries except Rumania, suffer from an import surplus--an import surplus in favor of the Soviet Union.

So, it is very questionable whether they will be able to repay their debts. The last year that we had reliable data was 1959. The fact is that the Soviet Union lacks capital. She is giving credits to

underdeveloped countries. If she wishes to increase considerably her own capital equipment, she will have to make certain choices, choices between continuing to help the underdeveloped countries or to develop their own industry, and/or to develop or help the satellite countries. And, I believe that the choice will be to the detriment of East Central Europe. There are already signs that the Soviet Union wishes to revise her trade policy drastically. And though the large-scale exploitation of the satellite area has come to an end, there is still discrimination; overpricing in Soviet exports to the satellite area, and underpricing in the exportations of the satellite countries into the Soviet.

Trade experts in the satellite countries are already concerned over the success of the Common Market, especially when envisaging the adherence of Britain. The 20.8 percent trade exchange with Western Europe, North America and Japan, which you see here, is really the trade mostly with Western Europe, the Common Market countries, or the countries which are likely to join the Common Market in the near future. Should the raw materials source of the Soviets dry up or fail to increase, the satellite area will have to rely even more on the West than at present.

Also, for psychological reasons trade with the West must be maintained. Western products are so much better appreciated and liked by the public in the satellite countries. But credits from the West, while needed, are not forthcoming. Only Poland has received $400 million in credits from the United States during the period 1954 to 1960.

I can venture the prediction that economic interdependence between the Soviet Union and the satellites is likely to increase under the impact of common planning, but there is little chance that the standard of living in the satellite countries can be increased to any extent in the next 10 or so years. The satellites still have to pay a price for their partnership with the Soviets. We can expect that discontent will remain widespread in the satellite area, partly based on oppressed national feeling and the longing for real independence and freedom. This is based on national resentment, and history has shown that national resentment is most persistent and can only become extinct with the complete extinction of a national identity. This, of course, is not to be expected in the near future.

I do not say that in the foreseeable future there is any likelihood for another uprising in the satellite area. But under certain conditions and under the concatenation of certain events it may again be

possible. Thus, I think, the West should be watchful and prepare plans--political and even military plans--so that it will not have to meet again such an agonizing dilemma, unexpectedly, as the one in 1956.

Thank you.

QUESTION: Would you discuss the reaction of the people of Hungary to the fact that the United States did not aid them in their rebellion?

DR. VALI: Well, the reaction, of course, was disappointment. But it would be rather an exaggeration to say that the people of Hungary expected help from the United States. That would be oversimplification. They relied, rather, on United Nations' help. A year before the revolt Hungary was admitted to the United Nations and people thought that this might be some sort of safeguard against foreign intervention and for the preservation of human rights, et cetera.

So, people were hoping that there would be some action by the United Nations. Therefore, speaking about the people in general, I think that they were, of course, disappointed that no help was forthcoming from the West, and this disappointment, naturally, is still felt. I wish, however, to add that although in the beginning people felt that everything was in vain, now after two or three years, whenever there is some alleviation--some relaxation in the terror, as there is, this is always credited to the revolution. They are now less frustrated. They say, "It wasn't in vain; we have shown them."

And, of course, they are getting more realistic now as far as Western help or intervention by the West is concerned.

QUESTION: Since 1958, doctor, the Soviets have issued ultimatums on Berlin. In the face of these ultimatums which they have not followed through with, what is the reaction of the satellite countries to this backing down or not following through with the show of strength?

DR. VALI: Well, the assessment of Soviet strength and of Soviet technology is somewhat different in the satellite area than it is in the West. They are not so much impressed by Soviet achievements--Soviet military achievements. Because, they compare these alleged achievements with the experiences they have had. Soviet machinery is very poor in comparison to Western machinery which they see there.

Soviet technicians are generally no match for their own technicians in the satellite countries. And the general view in the satellite countries is that the military strength of the Soviets is overestimated, at best. Of course, I am not expressing my own opinion; I am saying what the average person, or the intellectual, the intelligent, educated person thinks. They are rather inclined to think that the Soviets are bluffing in each of these cases, and they sort of use threats. They are somewhat strengthened in this belief when they saw, for instance, the Soviet threats to use missiles against Britain and France because of the Suez expedition; this threat was only pronounced when these two countries had already decided to withdraw their troops.

The impression in Hungary of the Soviet fighting strength was also relatively poor, particularly poor when the first intervention took place, and also poor in the second instance, the decisive intervention. Fighting generally came to an end when the Hungarians ran out of ammunition. Wherever the population is in contact with Soviet troops their opinion cannot be too high. On the whole, the cultural atmosphere and standard of the satellite countries is much higher than that of the Soviet Union despite the achievements which the Soviets have made. In the countries of East Central Europe the people have had an opportunity to compare the Russian prisoners of World War I with the Soviet troops in World War II, or the Soviet troops as they are at present, and naturally they see the difference. But the difference is not so great as to impress them with the great intellectual advance of the Soviet men and of Soviet technology or Soviet power in general.

QUESTION: Doctor, do you think it would be in the best interests of the United States to provide economic aid to the satellites?

DR. VALI: Yes, if thereby, contacts could be established--cultural contacts, personal contacts, the exchange of personnel. But I don't mean the exchange of leaders--I don't like the visits of Communist statesmen; that serves no purpose whatsoever. But, I am a believer in the exchange of scholars--the exchange of businessmen. Now, if that could be secured by this, then I think it would bear fruit. More Americans, more British, French and others could go to the satellite areas, and satellite businessmen, officials, tradesmen, et cetera, could come to this country and to the West, that would serve a useful purpose, which would, of course, counterbalance the possible drawbacks of such a help. But, I would be in favor of this under such conditions, and only under such conditions.

QUESTION: Dr. Vali, near the end of your address you indicated that something might again happen, a form of revolt or some other action in some of these countries, and the West should be alert for this occurrence. I would like to ask, What form do you think this would take? Would this be a similar uprising to the Hungarian uprising, and in what place would you expect this would happen--in Hungary or in some other country?

DR. VALI: This is a very difficult question because even those, such as myself, who were in Hungary just before the revolt started were not expecting it at all, but it still came. It was not expected even by us. So, it would really be rather speculative to say whether such a revolt might break out and in what country. I wasn't really thinking of any specific country. What I have in mind is that there is dissatisfaction; there is resentment, a very strong one--stronger in certain countries of the area, less strong in others. Their psychology is also different. In some countries they would, perhaps, revolt for economic reasons. In some other countries the economic reasons would be secondary. Other reasons--national--would be more important.

As a consequence of the 22nd Soviet Congress, where Stalinism was condemned in even stronger terms than ever before, there is a split in practically all the Communist parties in the satellite nations. This split enormously weakens the parties; the government there is based on party rule, on party control, and when the party weakens the totalitarian hold over the country also weakens. And, you have those people called "revisionists." Well, some of them are real revisionists. That is to say, they wish to give a liberal interpretation to Marxism and Leninism. But in my view the overwhelming majority of the so-called revisionists are not Communists at all.

In a totalitarian country you cannot express opposition views except within tolerated forms. Now, revisionism, while condemned, is still tolerated; it is not identical with counterrevolutionary attitudes. This phenomenon, revisionism, is beginning to take shape again in almost all of these countries. And when the so-called revisionists attack the leadership and calling them Stalinists, dogmatists, pro-Chinese, et cetera, they wish to condemn the system as such. There are Leftists, too; there is a "Chinese" faction in each of these parties. Whether they are really pro-Chinese makes no difference, the revisionists attack the leadership and also the pro-Chinese. Under the cover of revisionism opposition groups may exist within the party and these are naturally supported by the people at large--by the so-called national opposition.

Therefore, it may be that party rule is again weakened to the extent that there will be no sufficient force available to suppress the beginnings of an uprising as it happened in Hungary and almost in Poland. You know, if the Hungarian situation had lasted for another few days there would have been uprisings, in my view, and I can substantiate it, not only in Poland, but also in Rumania and Czechoslovakia. So, nobody can really foretell what is going to happen. I am not predicting that there will be another revolt in Hungary. The ferment has spent itself largely, but if a similar coincidence of events or occurrence of events in these countries takes place, there might again be a revolt.

Since the satellite peoples are naturally allies of the West, this should be taken into consideration. And a revolt should not be considered as a surprise if it occurs and when it occurs. That was the meaning of my remarks.

QUESTION: Could you please comment on the status of Transylvania and the possible effect in stirring up difficulties between Hungary and Rumania?

DR. VALI: In Transylvania there is a large Hungarian minority with, perhaps, between a million and a half and two million. The Communists have treated the Hungarian minority question in a somewhat different manner. They have given cultural autonomy to three largely Hungarian-inhabited counties in Transylvania. But, there are many Hungarians living outside these counties. I mentioned Rumania as a possible locality for an outbreak during the Hungarian revolt. I was referring to certain events in the University of Cluj in Transylvania, where student demonstrations have started in the first days of November 1956, which were later suppressed.

This university was, at that time, half Hungarian and half Rumanian. Whether there will be some conflict between Hungary and Rumania because of the Hungarian minority, I would say that while you have Communist countries--Communist regimes in both countries--such a conflict is practically excluded. What would happen if Hungary could liberate herself from communism and Rumania could not, or if both countries ceased to be Communist, this, again, is difficult to foretell. The fact is that there is admittedly a Hungarian minority. And if the minority is not treated properly, naturally there is dissatisfaction and naturally there will be tension between these countries. I may add that as far as I am concerned, I am in favor of a Danubian Federation of States. I believe that it has been a

mistake to sever the ties between all these peoples which were part of the Austro-Hungarian Monarchy.

Of course, the Austro-Hungarian Monarchy has outlived its usefulness, but it was a tragedy for Europe and for the world that their inhabitants were unable to continue their coexistence within some system of federation. Not only are the ethnic groups so intermingled that it is impossible to draw a really just ethnic borderline, but also their economic interests and even their cultural outlook are so similar that it would be really a great fortune for all of these countries if one day they could find a way of integration either within the European integration or rather in the form of some sort of Danubian Federation.

QUESTION: Sir, the process by which they arrive at terms of trade between the satellites and the U.S.S.R. must be very critical. Could you describe or tell us what you know about how they determine these terms of trade?

DR. VALI: The general terms of trade are now basically and principally determined by the Council for Mutual Economic Assistance. This Council meets every three or four months. It constitutes various subcommittees and those subcommittees also meet. Actually, some of these subcommittees have permanent seats. Now, the big question is, of course, How far this Council is based on effective cooperation, and how far it is based on Soviet domination? This is very difficult to say because we don't have exact data since 1958. Prior to this the Council was a sham institution. It was really a Soviet-run institution and the satellite representatives on the Council had very little to say. Even now most of the questions, while discussed in the Council, are determined in bilateral agreements.

How far the various satellite countries can influence the decisions of the Council I frankly admit I don't know. One thing is certain, and that is that the Soviets still have the casting vote. But some of the intrasatellite business is also handled by the Council and there the Soviets probably don't interfere because it is not their business.

Of course, one would expect that the Council for Mutual Economic Assistance is somewhat a counterpart of the Common Market; the European Economic Community. And one would expect that the Council entertains in Moscow an office where the various satellite countries are represented. We have no evidence that such an office exists, but the suspicion is well-founded that in the intervals between the sessions of the Council the whole business is run by some

Soviet agency. I suggested to a friend of mine, an American professor who was in the Soviet Union last year to try to visit the offices of the CEMA in Moscow. I also suggested that he should try to look up the headquarters of the Warsaw Treaty Organization, a counterpart to NATO. When he was asked by governmental people in Moscow what he would like to visit, and he expressed a desire to visit these two organizations, he was told at once that the Warsaw Treaty Organization could not be visited because the person who should have been his guide happened to be out of Moscow. Then, for a number of days they postponed his visit to the Council, and finally he was again refused and was told that for some reason he could not visit the offices of the Council for Mutual Economic Assistance.

It is therefore, my belief that the Council does not entertain permanent offices, and between its sessions all the business is handled by some economic agency or ministry of the Soviet Union.

QUESTION: I would be interested, sir, in whether you have any comment on the attitudes in these countries toward Yugoslavia--the possible significance and the future of Yugoslavian independence, the Yugoslavian style of communism, and the amount of economic progress of Yugoslavia?

DR. VALI: Well, it would be difficult to answer this generally. I think one should really examine the attitudes in the different satellite countries separately. Now, speaking first of Hungary--the Yugoslav way toward socialism has a great appeal, not to the Hungarian people, but to the Hungarian Communist Party. And the example of Yugoslavia, of the economic methods used there, the absence of enforced collectivization, the workers' councils in Yugoslavia have a very strong appeal for the Hungarian Party. And so, it is, perhaps, well-founded to say that Yugoslav attitudes had a certain role to play in the split of the Hungarian Communist Party and the subsequent events; the revolt. Imre Nagy, who is the only one of the anti-Moscow Communists in the satellite area has elaborated his ideas in the form of pamphlets and memoranda. He bases much of his argument on the Yugoslav experience. And so, we might safely say, the Yugoslav experience is still before the eyes of many faithful and unfaithful party members in Hungary and also before the people at large.

In Rumania there was no opportunity for the party membership or the people to express itself, but I believe the Yugoslav example is also extremely popular in Rumania. It is less popular in Bulgaria, again for national reasons. You know, Bulgarians and Serbians

lived in historic antagonism for a long time and it is well-known that Tito has cherished an idea to try to incorporate Bulgaria as a member republic into the Yugoslav Federation. So, there is bias against Yugoslavia in the Bulgarian Communist rank and file. But the people of Bulgaria would naturally like to improve their status. Bulgarian peasants are casting longing looks to the Yugoslav peasants who are allowed to work in their own fields, which they cannot. So, the impact of the Yugoslav example is rather mixed. In Bulgaria the people, of course, would like, if they must have communism, to have the communism of the Yugoslavs, but the party abhors this idea.

Czechoslavakia is more distant from Yugoslavia. I don't think that much impact has been made on Czechoslovakia. Of course, Poland is studying the Yugoslav methods eagerly, and some of the Polish domesticism reveals certain resemblance to Yugoslav methods. The East German party is very much anti-Yugoslav. And, if the people of East Germany cast eyes they cast them at the other half of Germany rather than at Yugoslavia.

QUESTION: Dr. Vali, West Europe seems to be emerging as a third power in the world and will perhaps someday be equal to the Soviet Union and ourselves. Do you believe that if this occurs these peoples will actively assist the satellite countries and get them back in their normal camp?

DR. VALI: Well, should the countries now under the Common Market, including or not including, Great Britain and some of the Outer Seven integrate into a political community, then the first question, of course, would be, What will happen to some of the present neutralist countries of Europe? Here you have Switzerland and you have Austria. And there you have Sweden and Finland. Yugoslavia is also a problem from this point of view. Now, as long as Austria, Switzerland, Sweden and Finland have not joined the Common Market, the borderline between the Common Market and the Communist area would not be uninterrupted. Politically speaking, there would remain these buffer states between contending areas. Economically speaking, the satellites themselves are border areas; they have to trade both with the East and the West.

These neutralist countries encounter great internal and external difficulties when they have to come to the decision of whether or not, and how far, to join the Common Market. The Common Market countries as they stand now, don't want to abandon their political attitudes which are pro-West, pro-NATO, et cetera, for the sake of these

few neutralist countries, and they expect these neutralist countries to abandon, at least partly, their neutral attitude. Should a politically-integrated Common Market really emerge as a very, very powerful third force, the attraction of this third power would be enormous not only economically, but also politically. And this integrated Europe would call itself "Europe."

It is no secret that all the satellite countries--Hungary, Czechoslovakia, Poland, Rumania, Bulgaria--they very much feel that they are European, and in a way, much more European than the Soviet Union. They are small countries and small countries always feel more international than a big country like the Soviet Union. There is no, there can be no, aspiration for self-sufficiency. And they consider their present status--being practically a part of the Soviet Empire--as something very unnatural; as being divided from their brethern--at least cultural brethern. For instance, Austria and Hungary have been together for so long; although there is a difference in the languages and they also have a different past, they share a common outlook. The dividing line between the area of prosperity and freedom, and the area of poverty and oppression would be well marked. And naturally there would be a longing in all these countries to join the European Community. And so, the economic, political, and even military impact on Russia would be very great, and I don't think the Soviet Union can offer anything to makeup for this longing.

COLONEL deCAMARA: Dr. Vali, we have run out of time. I know you have a 10-year sentence still hanging over your head and we all hope that you don't go back to Hungary so they can deprive us thereby of getting the benefit of your knowledge. On behalf of all of us, thank you very much, sir.

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(29 Mar 1962--5,600)H/en:dm

U. S. GOVERNMENT PRINTING OFFICE : 1964 O - 717-957