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MEMORANDUM

SUBJECT: Unease in Eastern Europe

Moscow's policy of demanding that detente with the West be accompanied by increased discipline and unity in Eastern Europe is causing growing unease and could lead to trouble. There are signs that the policy has caused at least some problems for every regime in the area. The potential for trouble, however, seems greatest in the Balkans with Romania, Hungary and Yugoslavia the most likely hot-spots. The situation in Poland, and to a somewhat lesser extent, that in Czechoslovakia, will also bear close watching, and we can expect to see some push and tug in the councils of the Warsaw Pact and CEMA.

ROMANIA

The Romanians have made something of a profession of being a thorn in the Kremlin's side ever since Bucharest issued its so-called "declaration of independence" ten years ago. Whenever and wherever possible, they have sought at the same time to oppose Soviet hegemony in Eastern Europe and to increase their own freedom of maneuver within the confines of the Soviet alliance system.

- The Romanians have consistently refused to permit joint Warsaw Pact exercises on their territory;
- they have strongly opposed Soviet efforts to increase military and economic integration in the Pact and in CEMA;

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- they have resisted Soviet efforts to isolate the Chinese;
- they have attempted to gain formal endorsement of Romania's pretensions to equality and sovereignty in every forum available.

In no small measure, their success has been due to Nicolae Ceausescu's uncanny sense of how far he could push Moscow and when he had to pull in his horns. Recent developments suggest that he believes he still has some leeway, but there are signs that the irritation level in Moscow is beginning to rise.

Ceausescu is on the verge of a move that will be a major attempt to push Romanian independence even further. The party's new programme, already approved by the central committee, will probably be the most forthright and thoroughly reasoned rejection of Soviet supremacy ever made by an ostensible supporter of the USSR. It will reaffirm and update the "declaration of independence" of April 1964 and will contain a ringing endorsement of Ceausescu's policies.

- The programme will, in effect, constitute a renewed challenge to Moscow's efforts to assert political, economic and military control over the Communist world.
- The odds are that the programme will be published during the celebrations of the 30th anniversary of liberation from the Nazis on August 23.

Bucharest is well aware -- and has told us -- that release of the programme will upset its allies and that intense pressure from Moscow and the other East European capitals could result. Against this possibility, the Romanians have apparently launched a campaign designed to head off the harshest reactions.

- They are deliberately spreading rumors that Bucharest is already under intense pressure from Moscow for pursuing an independent line.

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-- One variant claims that the Soviets are demanding an "extra-territorial corridor" across Romania to Bulgaria.

The circulation of these rumors seems calculated to focus international attention on Bucharest's claimed problems with Moscow. As far as can be determined, for example, there has been no Soviet demand for a corridor. Moscow did, however, propose the construction of a wide-gauge railroad across the Dobrudja to facilitate shipments to Bulgaria. The Romanians refused, but then embroidered on the story for circulation in the world rumor market.

In addition to spreading an exaggerated alarm, the Romanians may be counting on coming events to help take the sting out of Moscow's response. A UN-sponsored conference on world population -- the first ever staged in Eastern Europe by the UN -- will take place in Bucharest during August 19-30. It will be attended by hundreds of delegates and newsmen -- particularly from the West and the Third World -- and will coincide with the 30th anniversary celebrations.

-- Ceausescu may well calculate that the presence of so many potentially sympathetic witnesses would inhibit any harsh and precipitate Soviet reaction to the publication of the party programme.

But these gambits may not work. There are signs that Moscow is becoming impatient with Ceausescu's continued courtship of the Chinese, to the point that it broadcast some veiled warnings to Bucharest during foreign minister Macovescu's visit to Peking last week. The Kremlin's irritation over Bucharest's relations with Peking could combine with its negative reaction to the Romanian party programme to bring Ceausescu under more pressure than he has bargained for. He may at the same time underestimate Soviet reaction while counting too much on moral support from the West.

The pressures will be primarily psychological, but if Ceausescu is prepared to push his case, the Soviets could threaten -- and perhaps apply -- some economic and political sanctions. In the end, the Romanians will have no choice but to get back into line, at least temporarily.

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- Ceausescu and the men around him well know that they can do nothing that suggests a move away from the Warsaw Pact; to do so would run the grave risk of Soviet military intervention.

There is, also, an outside possibility that the Soviets might see any renewed Greek-Turkish hostilities as an opportunity to pressure Romania to live up to a Warsaw Pact member's obligation to allow troop passage, in this case to Bulgaria.

HUNGARY

Our concern over Hungary dates from the severe blow dealt to advocates of the country's liberal economic and cultural policies in the leadership shake-up last March. The fundamental contradiction between detente and discipline, between "liberal" and "conservative," was at the root of the problem.

- Over several months, the success of Budapest's economic reform and its liberal cultural policies had sparked growing criticism from Moscow and from domestic hard-liners that Hungary was "creeping toward capitalism."

- When the issue was forced in March, the liberals lost and Kadar demoted the chief spokesmen of his policies.

This created fears in Hungary that Kadarism -- a blend of moderate and paternalistic reform -- would have to take a back seat to Moscow's demands for tightened discipline in Eastern Europe. The party has tried to allay this concern by insisting that only the pace -- and not the content -- of the reforms would be affected.

About a month ago, however, reports of instability in the Hungarian leadership began to circulate. Some of the stories say that:

- Kadar will retire or be kicked upstairs at next year's party congress, and Premier Jeno Fock will retire this December.

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- Aprad Pullai, a little known and relatively young party secretary, is challenging Kadar and may even replace him as first secretary.
- The Soviet embassy in Budapest since late 1973 has been encouraging anti-Semitism within the cultural community, and Kadar has had trouble controlling it.
- The mass media have just begun to hint at problems, and a few journals catering to party intellectuals have published articles that appear to appeal for unity and calm.
- The Hungarian police arrested and quickly released a large number of pro-reform dissidents, presumably as a warning.
- In mid-July, the head of the Soviet KGB requested an "urgent" status report on the Hungarian internal situation.

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Despite such rumors, Kadar still appears to be very much in charge. Last week he returned from a short visit to the USSR, where Brezhnev gave him an unequivocal endorsement by referring to their "total identity of views." The very persistence of rumors of factionalism and political infighting in Budapest may indicate, however, that there is fire behind the smoke.

YUGOSLAVIA

For the last year or two Tito has carefully managed a modest improvement in economic and political relations with the USSR. The Soviets are, for the moment at least, deriving enough bilateral and European-wide benefit from this semi-rapprochement to stick with it.

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Tito is 83 and has chronic health problems, however; he could go at any time. Despite his attempts to pre-arrange the orderly transfer of power by revitalizing the Party and embodying Titoist socialism in the new constitution, the succession problem is far from settled. The prospects for a smooth transition are good in the short term, but the country's future will depend on how well his successors work together, whether the federation can survive the strains of traditional regional animosities, and on how successfully the new leaders manage relations with the Soviet Union. The Soviets could be expected to exploit any disintegration of Yugoslav national unity.

Tito has tried to ensure against disintegration by stage-managing his own succession.

- He has tried to make the party the single most powerful force in the country, purged it of those who were deviationist or weak-willed, and given Stane Dolanc -- a tough-minded federalist -- the opportunity to run it.
- On the government side, he created the collective State Presidency in which the job of chief executive rotates annually.
- He has provided for the continuation of Yugoslavia's unique brand of self-managing socialism in the new constitution promulgated earlier this year.
- Over the past few months Belgrade has strengthened the internal security apparatus and linked it more firmly to the military.

In the period immediately after he dies, his heirs will lean heavily -- and probably successfully -- on Tito's legacy. The danger is that collectivity will become the facade behind which the successors fight among themselves for the lion's share of power.

Meanwhile, Tito (and his immediate successors) will continue to probe for the most secure middle road between the super-powers. Mindful that they are under close scrutiny from Moscow,

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they must make clear to the Kremlin that "socialism" is safe in Yugoslavia. At least over the short run, the semi-rapprochement with Moscow will continue and Belgrade will look to the Soviets particularly for arms and economic aid. This effort will be balanced by constant reassurances to Washington that Belgrade will never willingly march back into the Soviet camp.

During their talks in Bucharest last month, Tito and Ceausescu managed to narrow their differences in an attempt to revitalize the special relationship they enjoyed from 1968 to 1973. Major policy differences remain between them, but Moscow will nevertheless regard any warming of relations between the two Balkan mavericks as a development to be watched carefully.

WARSAW PACT AND CEMA STRAINS

Moscow's demands for unity and discipline in Eastern Europe have been accompanied by efforts to increase military and economic cohesion in the alliance system as such.

- There is evidence that the Soviets are seeking greater control over the military forces of the East European nations.
- Moscow has also renewed its pushing for integration of the East European economies with that of the Soviet Union.

The East Europeans recognize that integration in any sphere is simply another device to undercut their freedom of action in dealing with the West and that it is ultimately designed to ensure Soviet hegemony. To the extent possible, they resist these Soviet efforts -- at least arguing against them in terms of their own national interests. Their foot-dragging may have been behind Moscow's apparent decision to hold bilateral meetings with certain leaders this summer instead of covering the usual "vacation meeting" of all Warsaw Pact leaders in the Crimea.

On balance, then the East Europeans are caught squarely between the need to accommodate Moscow and their desire for better relations with the West. They must tighten control over their own people, and at the same time give them at least some of the material benefits of detente in order to win their support. As they walk this narrow road over the coming months, the chances of a misstep seem greater than at any time in the recent past.

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