

NIE 12-61  
9 November 1961

~~SECRET~~

NATIONAL INTELLIGENCE ESTIMATE  
NUMBER 12-61

CIA HISTORICAL REVIEW PROGRAM  
RELEASE IN FULL

THE OUTLOOK IN EASTERN EUROPE

*Submitted by the*  
**DIRECTOR OF CENTRAL INTELLIGENCE**

*The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, Defense, the Army, the Navy, the Air Force, and The Joint Staff.*

*Concurred in by the*  
**UNITED STATES INTELLIGENCE BOARD**

*on 9 November 1961. Concurring were the Director of Intelligence and Research, Department of State; The Director, Defense Intelligence Agency; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations (Intelligence), Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, Joint Staff; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.*

~~SECRET~~

N? 400

CENTRAL INTELLIGENCE AGENCY  
DISSEMINATION NOTICE

1. This estimate was disseminated by the Central Intelligence Agency. This copy is for the information and use of the recipient and of persons under his jurisdiction on a need to know basis. Additional essential dissemination may be authorized by the following officials within their respective departments.

- a. Director of Intelligence and Research, for the Department of State
- b. Director, Defense Intelligence Agency
- c. Assistant Chief of Staff for Intelligence, Department of the Army
- d. Assistant Chief of Naval Operations for Intelligence, for the Department of the Navy
- e. Director of Intelligence, USAF, for the Department of the Air Force
- f. Director for Intelligence, Joint Staff, for The Joint Staff
- g. Director of Intelligence, AEC, for the Atomic Energy Commission
- h. Assistant Director, FBI, for the Federal Bureau of Investigation
- i. Director of NSA for the National Security Agency
- j. Assistant Director for Scientific Intelligence, CIA, for any other Department or Agency.

2. This copy may be retained or destroyed by burning in accordance with applicable security regulations, or returned to the Central Intelligence Agency by arrangement with the Office of Central Reference, CIA.

3. When an estimate is disseminated overseas, the overseas recipients may retain it for a period not in excess of one year. At the end of this period, the estimate should either be destroyed, returned to the forwarding agency, or permission should be requested of the forwarding agency to retain it in accordance with IAC-D-69/2, 22 June 1953.

4. The title of this estimate when used separately from the text, should be classified:

~~SECRET~~  
**WARNING**

~~This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.~~

**DISTRIBUTION:**

White House  
National Security Council  
Department of State  
Department of Defense  
Atomic Energy Commission  
Federal Bureau of Investigation

~~SECRET~~

## THE OUTLOOK IN EASTERN EUROPE

### THE PROBLEM

To assess the prospects for political and economic stability in Eastern Europe, especially in relation to the Berlin crisis.

### SCOPE NOTE

This estimate is concerned primarily with Poland, Czechoslovakia, Hungary, Rumania, and Bulgaria. East Germany has recently been examined in SNIE 12.4-61, "Stability of East Germany in a Berlin Crisis," dated 15 August 1961, and is treated here only in passing. The special case of Albania was examined in NIE 10-61, "Authority and Control in the Communist Movement," dated 8 August 1961, paragraphs 30-31 and 35-36, and will be discussed in the larger context of relations in the Sino-Soviet Bloc in NIE 11-4-61, "Main Trends in Soviet Capabilities and Policies, 1961-1966," due December 1961.

### CONCLUSIONS

1. The Communist leaders in Eastern Europe have made considerable progress in the past few years in the consolidation of internal political and economic stability. In none of these countries do the internal rivalries and policy differences which are endemic to Communist parties presently constitute a serious challenge to any of the Communist leaderships, nor do we believe that internal party troubles during the next year or two will be so serious as to lead to major disruptions. Most of these countries continue to develop industry at a rapid rate and to achieve a slow improvement in living conditions. In agriculture, attempts to impose socialization on the countryside have had a deleterious effect on production, except in Poland, where agriculture remains predominantly in private hands. In general, prospects for the next few years are for reasonable political stability and continued economic growth. (*Paras. 8-12*)
- 2: The peoples of Eastern Europe remain alienated from the regimes and opposed to communism, but as time goes on they are tending to adjust themselves to Communist rule and to acquiesce in its demands. The principal reason for this is their decreasing hope of any radical change in their circumstances. We believe that this trend will continue, aided to some ex-

~~SECRET~~

1

tent by the slow improvement in living standards, and that these peoples will increasingly come to accept the permanence of Communist control. For some time to come, however, this tendency will gain or lose in strength according to the success or failure of Soviet achievements in the East-West competition. (Paras. 13-15)

3. The Soviets have found that the relatively flexible policy they have followed towards Eastern Europe since the 1956 upheavals has been less risky than appeared at first. Most of the Satellite leaders, fearful of the confusions which might result within their own countries, have been disinclined to experiment or to stray too far from the Soviet example in internal policy. Moscow has maintained effective control over Eastern Europe, not by daily orders and instructions, as before, but by willing imitation and automatic response by the Communist leaders. (Paras. 16-17)

4. The chief potential dangers to Soviet control lie in developments in Moscow, or in the Communist movement as a whole. A revival of serious factionalism in the Soviet Party, occasioned perhaps by a succession struggle, would probably bring into play the inner-party rivalries which exist under the surface in the Satellites. Further afield, if the Chinese hold firm and the Albanians sustain their position, then the present tendencies within the world Communist movement toward greater diffusion of power and competing centers of authority will be accentuated. In the latter event, some of the East European Party leaders might in time be tempted to bargain with Moscow for greater autonomy in certain questions in return for their support against Peiping. In these circumstances, Moscow might

also find it difficult to contain the unsettling influence exercised by Yugoslavia. (Paras. 18-21)

5. An important Soviet objective in the Berlin question is to obtain Western recognition of the permanence of Communist rule in the Satellites. In this, the East European Party leaders fully support the Soviet effort. Those of Poland and Czechoslovakia have especially strong reasons for doing so. Ulbricht is, of course, the most vigorous of the Satellite leaders in urging the Soviets to move rapidly and aggressively on the Berlin question, but we believe that Soviet tactics concerning Berlin are not influenced appreciably, either by the desires of the Satellite leaders or the attitudes of the East European populations. (Paras. 26-28)

6. In the event that the Berlin crisis developed into limited hostilities in East Germany, we believe that the peoples of Eastern Europe would not act precipitately in the initial stages. They would probably refrain, for the most part, from risky antiregime actions unless there was convincing evidence that the West was prepared to extend the conflict throughout Eastern Europe. Even then, most of them would probably confine themselves to passive resistance unless it appeared that Western military action was succeeding. (Paras. 29, 31)

7. With respect to the Satellite armed forces, the top commanders are almost certainly reliable, as are many of the carefully selected and indoctrinated officers and noncommissioned officers. However, we believe that the effectiveness and reliability of the Satellite forces, and even of their leadership, would depend heavily

upon the circumstances of the war. Most of them would probably be assigned a defensive mission within their own territories. In the event of popular uprisings against the regimes or against Soviet domination, some of the Satellite forces would probably (as they did in Hungary)

turn to the support of the people, though elite internal security units would probably remain reliable to the regimes. Thus, reliability of the Satellite forces in a wartime situation would largely depend on the speed and success of overall Bloc military operations. (Para. 30)

## DISCUSSION

### I. INTERNAL DEVELOPMENTS

#### *Political Trends*

8. The regimes of Eastern Europe are in the hands of cautious, conservative men, distrustful of their populations, whose first care is to consolidate their power. Since the upheavals of 1956, they have moved steadily to strengthen their political apparatuses and, under the slogan of "building socialism," to perfect their control over all segments of the population. With the notable exception of Poland, collectivization is nearly complete throughout the area. In state administration, in industrial management, and in other spheres the leaders have generally followed the Soviet line, seeking to improve efficiency while further extending the leading role of the Communist Party. While failing in many cases to achieve their objectives fully, they are steadily gaining ground.

9. All the parties in Eastern Europe are successfully meeting the main requirement for stability in a Communist state—unity among the top handful of leaders. Personal rivalries and policy differences are endemic to Communist politics, but in none of the Satellites do these divisions appear to involve active conspiracy by one group of leaders to unseat another or efforts to recruit support for alternative policies among the party membership or the population. This unity is partly due to the demonstration, in Hungary and Poland in 1956, of the consequences of factionalism. It is also due, however, to the defeat of the "antiparty group" in the Soviet Party in 1957. Since that date, ambitious lieutenants in the

Satellites have had little opportunity to enlist powerful Soviet support against the local leadership; in consequence, one-man rule prevails in these countries. There has been no serious challenge to the established leadership in Eastern Europe over the past several years.

10. Khrushchev's renewal at the 22nd Congress of his attacks upon Stalin and the Stalinist past, and the reverberations of this attack throughout Eastern Europe probably are causing embarrassment and anxiety among the Satellite leaders. Some of the present leaders—e.g., Ulbricht and Novotny—can plausibly be identified with a "Stalinist" line themselves, and must be somewhat apprehensive at the implications of Khrushchev's denunciation. Latent rivalries within the various parties might be encouraged, especially if the succession problem in any state should come to the fore. Nevertheless, we believe that the Eastern European regimes, having survived the upheavals of 1956 and strengthened themselves thereafter, will be able to cope with the disturbing aspects of Khrushchev's policy. Over the next year, or two, therefore, internal party troubles are not likely to be so serious as to lead to major disruptions in the Satellites.

#### *The Economies*

11. Stability is also characteristic in the economic sphere, where most of the Satellites continue to develop industry at a rapid rate, and to achieve some improvement in living conditions. The emphasis on industrial investment in 1958-1959, which replaced the post-1956 concessions to consumers, produced

strains in some countries, leading them to adopt more moderate development policies. Agriculture continues to be the principal trouble area. Rapid collectivization drives in recent years in Hungary, Czechoslovakia, Rumania, and East Germany, followed by attempts to consolidate and develop existing collectives, have led to mediocre results in production and have caused an unwanted movement of agricultural labor to urban areas. Poland, where agriculture remains predominantly in private hands, has achieved the largest increase in output.

12. Prospects in the next year or two are for a slightly lower, but still substantial, rate of industrial growth, a somewhat better performance in agriculture if new basic changes in agricultural institutions are avoided, and a slow improvement in living conditions, though the Satellites will continue to lag far behind Western Europe. Except in East Germany and Albania, it is unlikely that economic plans will be basically revised in this period, although lags in agriculture and in investments may cause particular aspects of the plans to be underfulfilled. East Germany, however, had to lower its 1961 targets and will have to reduce its 1965 goals unless it can obtain large amounts of new assistance from the Bloc, while further Albanian industrial development is threatened by the loss of trade and credits from the USSR and Eastern Europe.

#### *Trends in Popular Attitudes*

13. By and large, the peoples of Eastern Europe remain alienated from their regimes, which they regard as antinational, and are opposed to communism, which appears to them not as an appealing ideology but as an oppressive system serving the interests of the USSR and the small class of its local servitors. Nevertheless, an increasing sense of futility over the prospects for change has contributed in recent years to a trend toward popular resignation to the situation in which the people find themselves. Other factors which have influenced this trend have been Soviet technical successes, a decreasing confidence in the West, and what the East European peoples interpret as an international trend in favor of

Communist power. In general, though discontent with living conditions remains chronic, supplies of consumer goods are now larger and more varied than in 1958. The regimes have grown sufficiently confident of their strength to launch unpopular policies, such as revisions of work norms and collectivization drives, without encountering serious resistance from the populace. The recent developments affecting Berlin have sharply increased the restiveness of the population in East Germany. Elsewhere, although there has clearly been some concern over the danger of war, there has been no discernible increase in antiregime attitudes.

14. The Polish people, five years after Gomulka's return to power, still enjoy significantly greater personal freedom than do the other East European populations. This margin has tended to diminish, however, as Gomulka has consolidated his position and begun to put into practice his essentially orthodox Communist outlook. Having gained the confidence of Khrushchev, who holds him in high esteem, Gomulka is moving carefully but methodically in his long-term struggle with the Catholic Church. He is also laying the foundations for the eventual socialization of agriculture. He has, however, made little or no headway toward reducing the thoroughly anti-Communist sentiments of the population, or in affecting its basic attachment to the Church. The Polish people nevertheless tend increasingly, if resignedly, to join the regime in "helping" Poland. Over the next few years, Gomulka will make some progress in bringing Poland into closer conformity with its neighbors.

15. We believe that the peoples of Eastern Europe will increasingly come to accept the permanence of Communist rule and to accommodate themselves to its demands. The slow improvement in living standards which we foresee will further this development, although nowhere are economic gains likely to be so great as to generate active popular support. The process of resignation and accommodation will also be promoted or checked as the USSR appears to be prevailing or faltering in the East-West competition. Only if they

perceived a high chance of bringing about a radical change in their status would the Eastern Europeans be likely to risk overt opposition to their regimes; otherwise, they will continue to regard themselves as victims of a larger struggle in which they can exercise little influence.

## II. RELATIONS WITH OTHER BLOC STATES

### *Political Relationships*

16. Soviet policy toward Eastern Europe is marked by an awareness that, if Communist programs are to succeed, some allowance must be made for national sensibilities and local problems. The USSR continues to demand absolute adherence in matters of foreign policy and on questions of intrabloc discipline. Apart from this, however, Moscow seeks to maintain the essentials of Soviet control but at the same time to provide enough flexibility to enable national leaders to adapt general guide lines to local conditions, and so to work for a measure of popular support.

17. This policy, which emerged after the experiments which led to the near breakdown of Soviet authority in 1956, has proved to be less risky than it first appeared. Most of the Satellite leaders are wary of experiments which might damage their control over their own countries. They also fear the confusions which might result if they got out of step with Moscow. Accordingly, they have been disinclined to test the limits of Soviet flexibility. In Poland, Gomulka is an independent-minded man, but he is in honest agreement on most matters with Khrushchev and enjoys a special dispensation on internal affairs. Even the present apostasy of the Albanian leaders is due, not to their desire to assert an unusual degree of independence, but to their fear that Khrushchev's rejection of Stalinist policies, and particularly his attitude toward Yugoslavia, threatens their personal positions. Thus, while Soviet control of Eastern Europe at bottom still rests upon superior power, it is effected primarily by willing imitation and automatic response rather than daily orders and instructions.

18. The chief potential dangers to Soviet control lie outside Eastern Europe itself. Of these, the greatest threat is the contingency of indecision or divided authority in Moscow. A period of serious factionalism in the Soviet Party, such as might occur during a succession struggle, would create great confusion among Communists in the Satellites and would bring into play the internal rivalries which, while presently under control, are never very far below the surface. In the process, Soviet control might be badly shaken, particularly if the crisis in Moscow were prolonged.

19. The course of relations between the USSR and China is another factor which may have a far-reaching effect upon the nature and degree of Soviet control in Eastern Europe. In the present state of open Sino-Soviet dispute, earlier indications of sympathy for Chinese radicalism among party elements in Bulgaria, East Germany, and Czechoslovakia have disappeared. Nor is the current example of Albania likely to attract any imitators; the Eastern European leaders generally despise the Albanian Party, and what is much more important, they are aware that the USSR regards support for the front against China as a matter of fundamental discipline.

20. Albania's defiance of Moscow—currently in an extremely acute stage—is important, however, for the contribution which it may make to the loosening of relations within the Communist movement as a whole. If the Chinese hold firm and the Albanians sustain their position, then the inner politics of international communism will undergo a further change away from monolithic unity and toward greater complexity and diversity. The overwhelming ideological pre-eminence of the USSR, which has been an important ingredient of the power which it wields over other Communist parties, will be further diminished and competing centers of power and authority will tend to emerge. This process might eventually have an impact even upon the USSR's dominance over the Eastern European parties; some of them, for example, might find the opportunity to press their na-

tional interests upon Moscow in return for their support against Peiping and Tirana.

21. As a successful Communist state enjoying full independence, Yugoslavia continues to be a potentially disturbing influence in Eastern Europe. The inconsistencies of Khrushchev's attitude toward Belgrade, and in particular his attempts to cultivate Yugoslavia's support for his foreign policies without granting it the full credentials of a true socialist state, periodically sow confusion in the other parties, particularly the immediately neighboring ones. These unsettling effects can be contained so long as Soviet leadership is firm and unchallenged elsewhere in the Communist movement, but to the extent that Moscow's authority is weakened on other grounds, this containment will be less effective.

#### *Economic Cooperation*

22. After a long period of relative inactivity, the Council for Economic Mutual Assistance (CEMA) program of economic cooperation among the USSR and the European Satellites has acquired considerable momentum during the past three years. A serious effort is being made to coordinate some key aspects of national long-term plans, with the USSR playing the predominant role. A beginning has been made in balancing areawide supplies and requirements for various commodities, adjusting national plans accordingly, and embodying the results in long-term bilateral trade agreements. Growing inter-Satellite cooperation has also taken the form of several joint investment projects for the exploitation of mineral resources. Soviet credits to Eastern Europe diminished sharply from 1957 to 1960, although a large credit to East Germany was announced earlier this year. Czechoslovakia has begun to play a major role in extending long-term aid to the other Satellites.

23. Despite this progress, however, coordination falls far short of the integration of Eastern Europe into a single economic area. Planning is still primarily national in scope, and complementary specialization of production in particular has made little headway. The individual countries remain reluctant to curb their own ambitions for broad industrial de-

velopment and to increase their dependence upon other Bloc suppliers. Further, planning authorities are finding it difficult to derive clear economic criteria for specialization from the frequently artificial price structures of the CEMA members. Nevertheless, economic cooperation will probably make continued gains over the next several years, particularly in the coordination of new investments, where long-standing national interests are less deeply involved.

#### *Military Arrangements*

24. The political relationships of the USSR and the Satellites described above are paralleled in the military field. The Warsaw Pact maintains a "unified command" in Moscow headed by a Soviet marshal whose deputies are the Satellite defense ministers. Satellite forces are organized and trained generally in accordance with Soviet concepts; their weapons and equipment are almost exclusively of Soviet type; for sustained operations they would be almost wholly dependent upon Soviet logistical support. These armies are in fact Soviet creations, and all vestiges of their pre-war structure and orientation are gone; their wartime missions are subordinated to Soviet planning, and their structure is complementary to that of the Soviet armed forces.

25. These factors would permit a close integration of Soviet and Satellite forces in wartime. However, Bloc forces have so far conducted no combined field exercises such as are now frequently held by NATO forces, although several combined tactical exercises, maneuvers and communications exercises have taken place involving Soviet forces with those of another country and observers from additional members. In October 1961, a combined command post exercise was conducted in East Germany, with the participation of sizable East German and Soviet forces, as well as elements from Poland and Czechoslovakia.

### III. EASTERN EUROPE AND THE BERLIN CRISIS

26. However firmly entrenched the Eastern European regimes may currently appear when viewed from the West, to the Soviets this area will not be secure until the Satellite regimes



are universally recognized as permanent. Thus the Soviet drive for a German peace treaty and an end to the occupation of West Berlin, while designed primarily to serve their objectives in Germany, is also intended to underline the finality of Communist rule in the Satellites. The USSR also believes that, if it can have its way on an issue which so heavily involves Western prestige, the Eastern European peoples will conclude that the European balance of power has irrevocably shifted in favor of the East and that any lingering hopes of liberation are illusory.

27. The party leaderships in Eastern Europe fully support these aims. Poland, which fears German claims upon its territory, and Czechoslovakia, which has expelled some three million ethnic Germans, are particularly anxious to have the status quo legalized; they also welcome the opportunity provided by the Berlin crisis to deflect antiregime sentiment by whipping up the anti-German feelings of their populations. The Satellite leaders are, however, probably already concerned by the mass restlessness, manifested in scare buying and hoarding, which has been induced in their countries by heightened tensions over Berlin. Since most of them have less at stake in the Berlin issue than Ulbricht, they are less vigorous than he in urging rapid and drastic action on the Berlin problem. Ulbricht constantly urges the Soviets to support his efforts to strengthen the German Democratic Republic (GDR) and improve its position. For example, there is little doubt that, prior to 13 August, he pressed Moscow strongly to approve radical measures to end the increasingly painful flow of manpower and talent from East Germany. In general, however, we believe that the Satellite leaders have little influence upon Soviet calculations of risks and gains in the maneuvering over Berlin.

28. In making these calculations, one of the elements which the Soviets must consider is the probable behavior of the Satellite populations and armed forces if the crisis should reach the point of limited war. They are aware of widespread anti-Russian sentiment throughout the East European area. They also understand that, while anti-German feel-

ings can easily be mobilized in some of these countries, the people make little distinction between East and West Germans. We believe, although there is little evidence, that the USSR also has reservations about the reliability of Satellite forces, particularly against domestic uprisings. These factors probably are not a significant restraint upon the USSR's Berlin tactics, especially since those tactics are calculated to avoid military conflict.

29. Our own view is that, if limited hostilities occurred in East Germany, the peoples of Eastern Europe would not act precipitately in the initial stages, but would wait to see which way the struggle was going. Given their experience of Western inactivity during the East German uprising of 1953 and the Hungarian rebellion of 1956, the overwhelming majority would almost certainly refrain from risky antiregime action unless the West gave convincing evidence that it was prepared to expand the conflict over the entire Eastern European area. Even then, most of the peoples would probably confine themselves to passive resistance unless it appeared that Western military action was succeeding.

30. With respect to the Satellite armed forces, the top commanders are almost certainly reliable, as are many of the carefully selected and indoctrinated officers and noncommissioned officers. However, we believe that the effectiveness and reliability of the Satellite forces, and even of their leadership, would depend heavily upon the circumstances of the war. Most of them would probably be assigned a defensive mission within their own territories. In the event of popular uprisings against the regimes or against Soviet domination, some of the Satellite forces would probably (as they did in Hungary) turn to the support of the people, though elite internal security units would probably remain reliable to the regimes. Thus, reliability of the Satellite forces in a wartime situation would largely depend on the speed and success of overall Bloc military operations.

31. Should the Berlin crisis reach a conclusive outcome which represented clear and substantial gains to the USSR, we believe that the prevailing tendency toward popular accom-

~~SECRET~~

8

modation to the Satellite regimes would gain strength fairly rapidly. The key point in popular judgments would be the status of West Berlin; if the Soviets were able to force Western troops out of the city, or to set a time limit on their presence, most Eastern Europeans would conclude that, short of a general war, Soviet domination of their countries was assured for their lifetime. On the other hand, failure by the USSR to achieve significant

gains in the issues of Berlin and Germany would hinder this process of acceptance and adjustment. If a settlement were reached which involved an evident postponement of Soviet objectives, the cautious hopes for a change which still survive in Eastern Europe would be sustained and might even rise somewhat, although this outcome by itself would by no means cause the peoples to undertake risky actions against their regimes.

~~SECRET~~