

# COUNCIL OF EUROPE CONSEIL DE L'EUROPE

Strasbourg, 20th June 1962

Restricted  
AS/NR (14) 2

Part I

## CONSULTATIVE ASSEMBLY



PACCOM022933

COMMITTEE ON NON-REPRESENTED NATIONS

METHODS OF COMMUNIST COLONIALISM  
IN CENTRAL AND EASTERN EUROPE

REPORT

submitted by  
M. Camille LINDEN, Rapporteur

PART I

A. IMPOSITION OF SOVIET POLITICAL AND ECONOMIC  
SYSTEM

---

(i) Description and analysis of the Soviet bloc economic system

1. . During the years 1945-1956 Communist East Europe was a source of economic advantage for the USSR. The economic relations of the Soviet Union with its European bloc can still be characterised as a policy of exploitation: monetary reforms based on the rouble, prices imposed by Moscow, bilateral trade agreements favourable to the Soviet Union, etc. It is, of course, difficult to express this exploitation in definite figures. According to V. Winston ("The Soviet Satellites - Economic Liability?", Problems of Communism, January-February 1958) the net annual Soviet profit from the arrangements can be estimated at one thousand million dollars.

2. The over-development of heavy industry and the compulsory system of economic self-sufficiency that was imposed by the Soviet Union in the individual East European countries were not to the advantage of these countries.

3. The Council for Mutual Economic Assistance (usually abbreviated COMECON), formed in Moscow in January 1949, was in the "Stalinist" period primarily designed to prevent the countries of Central and Eastern Europe from participating in the Marshall Plan. This was the aim that led COMECON to co-ordinate trade within the Soviet bloc. (For further information on COMECON see Mr. Regnell's Report, Consultative Assembly Doc. 1164 of 1960).

4. After Stalin's death in 1953, and particularly after the political events of 1956, the Soviet Government was compelled to change its economic relations with the bloc. However, Soviet credits were granted, and still are granted, to obtain political benefits.

5. At the moment Soviet policy aims at the achievement of the political union of the Communist world through economic ties. Khrushchev expressed this view in a very significant way in a speech that he made in 1959: "... Speaking of the future, it seems to me that the further development of the socialist countries will in all probability proceed along the lines of consolidation of the single-world socialist

economic system. The economic barriers which divided our countries under capitalism will fall one after another. The common economic basis of world socialism will grow stronger, eventually making the question of borders a pointless one" (Pravda, Moscow, 27th March 1959).

6. The original Soviet idea of national self-sufficiency has thus been replaced by the wider concept of economic self-sufficiency within the Soviet bloc. In other words: "The peoples' democracies which, with the Soviet Union, form the new world market find in this market all the goods required for their development" (New Times, Moscow, 7th April 1953).

7. These prophetic statements have not yet been justified. The statements published at the recent COMECON meeting in Moscow (June 1962) imply that the "world socialist market" is still lagging considerably behind the market of the European Economic Community. Also, when Mr. Khrushchev affects to see in the Common Market an anti-Communist manoeuvre, it is of course an attitude designed to make the countries of Central and Eastern Europe feel more dependant on the Soviet Union.

8. It is evident that these efforts to shape the economic interdependence of the bloc imply the re-activation of the existing permanent multilateral organ COMECON. In June 1957 permanent secretariats were established to service the thirteen specialised committees of COMECON and these secretariats were instructed to draw up preliminary development plans for between ten and fifteen years ahead. A multilateral payments scheme, with the state bank of the USSR as the clearing agent, was set up in 1959. Furthermore, plans have been developed for the co-ordination of the economies of the Soviet bloc countries and for statistical analyses of national incomes. Specific production targets for each member state have also been established, aiming at an increase, on a specialised basis, of economic growth within the COMECON countries, the so-called "international socialist division of labour". The pricing system within the bloc has been a subject of frequent discussions at the meetings of COMECON. The most recent COMECON venture is a huge oil pipeline, linking the oilfields of the middle Volga basin to Poland, East Germany, Czechoslovakia and Hungary.

9. At the moment the most effective and important part of COMECON's work is the co-ordinated long-term planning which controls the whole economic development of the participating countries.

10. In the long run, COMECON is expected to contribute to the socialist camp's unity through the progressive achievement of economic integration.

11. Bilateral trade treaties, which are designed to express in a binding manner the recommendations of COMECON, also serve to unify the Soviet bloc. Given that the economy of each of the member states of COMECON is state controlled, such treaties completely govern trade among these states. Since most of the foreign trade of the Communist states is carried on within the bloc, these agreements have an important bearing on the future development and standard of living of the member countries.

12. Trade agreements within COMECON are usually concluded for relatively long-term periods, varying from two to seven years. These agreements, which are couched in general terms, include protocols drawn up every year, which set out a detailed list of goods to be traded during the course of that year. When the protocol is renegotiated price adjustments are sometimes made. In some cases these agreements embrace the co-ordination of capital investment and co-operation in production, and sometimes they include the granting of credits.

13. These trade agreements are completed by further agreements on bilateral scientific-technical collaboration.

14. All in all it is evident that the preponderant economic superiority of the Soviet Union is the determining factor in the commercial relations of the bloc countries, and in their economic planning and development. The Soviet Union still exploits the weaker members of the bloc, even if not to the same extent as under Stalin.

15. In its trade with the other members of the bloc the Soviet Union allegedly pays lower import prices and charges higher export prices than the other states are allowed to. It is also alleged that the Soviet Union makes considerable profits on certain raw materials and industrial products that it imports cheaply from one bloc country and sells at

higher prices in another.<sup>(1)</sup> Against this assumption Knud Erik Svendsen<sup>(2)</sup> argues that one can only judge the price system of the "international socialist market" by its value in developing the economic structure which will provide the greatest possible production in the bloc.

(ii) The political effects of the stationing of Soviet military forces in the satellite countries

16. Soviet primacy within the Communist camp in Europe is built on the USSR's military power. The pressure exerted by this power has been a triple one: (1) direct intervention of Soviet troops stationed in the bloc area; (2) the potential threat of a military intervention; and (3) influence achieved through Soviet penetration of the bloc's armed forces.

17. In the initial phase, at the end of the Second World War and immediately afterwards, the entry of Soviet troops into the countries of Central and Eastern Europe created conditions that favoured the establishment of Communist régimes subservient to Moscow. When, for instance, the Red Army entered Polish territory in July, 1944, its political commissar, General Bulganin, proclaimed the establishment of the Communist Committee of National Liberation as the executive authority. Thus the origins of the so-called People's Democracies were the direct consequence not of a domestic revolution but of the presence of the Soviet Army. Even Communist leaders such as Gomulka openly admitted that the political changes in Central and Eastern Europe had been carried through because of the presence of the Red Army, in the face of which "the forces of reaction were inhibited and paralysed in their activity." (3)

18. Direct Soviet military intervention became necessary for a second time in the critical years after Stalin's death.

./.

---

(1) Horst Mendershausen. The terms of Soviet-Satellite trade: A broadened analysis. Review of Economics and Statistics, May 1960.

(2) "Notes on the economic relations between the East European Countries" Ost Okonomi, special issue 1961.

(3) W walce o demokracje ludowa (In the struggle for a People's Democracy), Warsaw 1947, I, p.303.

Thus the East Berlin revolt of June 1953, was suppressed by Soviet military forces stationed in the Soviet zone of Germany. Subsequently, units of the Soviet Army invaded Budapest and other parts of Hungary to suppress the Hungarian national uprising in November 1956. It is evident that this display of Soviet military power served as a deterrent throughout the bloc.

19. Quite apart from these examples of direct intervention, the mere physical proximity of the huge forces of the Soviet Army has exerted a profound influence in Eastern Europe. It is generally realised in the bloc countries that Soviet military power could and would be called on by the Soviet leaders if, in certain circumstances, their policies were not accepted by the bloc governments. In 1948, the Czech President, Benes, threatened by the intervention of the Soviet Army, and by civil war, yielded to the Communists.

20. As far as the location of Soviet troops at present stationed in the bloc countries is concerned, the Soviet Union has ensured that vital strategic areas are occupied by its forces, e.g. the Polish and Rumanian ports and frontier positions in East Germany and Hungary.

21. The presence of Soviet troops in Central and Eastern Europe has a further effect. The Western powers are compelled to realise that any possible military intervention by their forces in Central or Eastern Europe would inevitably lead to a clash with the Soviet Army.

22. Since the political events of 1956, the Soviet government has evidently felt the need to legitimise the stationing of Soviet troops on the territory of the other bloc states. With this aim in view, the Soviet Union has concluded bilateral agreements with the countries of Central and Eastern Europe, which used the Warsaw Treaty as their point of reference and which defined the principles for the status of Soviet units in each individual country. It must be emphasised that by these agreements, excepting the agreement with Poland, it is not the governments of the bloc states but the Soviet Union which controls the movements of Soviet forces into and out of the countries of Central and Eastern Europe.

23. Finally, the Soviet Union can exercise direct political control through the infiltration of its nominees into the highest appointments in the East European armed forces. Soviet officers have served in these armies both as army

commanders and in advisory capacities. Perhaps the most striking example of interference was the appointment of the Soviet Marshal Rokossovsky as Minister of Defence in Poland in November 1949. After the events of 1956 most of the Soviet military advisers were recalled (Rokossovsky in November 1956). The only exception is in Hungary, where allegedly the entire military and paramilitary apparatus is still directed from the office of the Soviet High Command.

24. Furthermore, the Soviet system of political commissars ("politruks") has been introduced in all East European armies. In this way the political indoctrination of the soldiers after the Soviet model has been ensured.

(iii) Description of the way in which the satellite States are influenced into aligning their foreign policies with the aims of the Soviet Union

25. The main factors which lead the members of the bloc to conform with the foreign policy of the Soviet Union are: the military power of the central Soviet state (see Section A.2); the dependence of the bloc states and their Communist leaders, even Gomulka, on the USSR; the common ideological outlook of the Soviet and the Central and Eastern European régimes, including an attempt to make the special position of the Soviet state and its Communist Party appear legitimate; and, finally, economic interdependence (see Section A (i)).

26. The Warsaw Treaty Organisation (WTO) represents the most important single formal commitment binding the European Communist states to the USSR, officially limiting their scope for independent action by precluding their participation in other systems of alliance (Article 7). Furthermore, the WTO acts as a forum for expressing the bloc's support of Soviet foreign policy initiatives. The Warsaw Pact has a Political Consultative Committee and a standing committee for foreign policy co-ordination.

27. In the Soviet system of alliances there are also bilateral agreements of friendship, collaboration and mutual aid. These are usually directed against an outside "threat", particularly the "military threat" posed by Western Germany, and they contain pledges of mutual support. The purpose of these treaties is to cloak a relationship of political subservience to Moscow.

./.

28. The importance of the other multilateral organisation, COMECON, not only for imposing an economic system but also for the establishment of political uniformity has already been stressed in the section dealing with the Soviet bloc economic system.

29. To co-ordinate foreign policy within the bloc, there are frequent contacts between the top leaders of the national Communist parties. These meetings are a relatively recent development in the political organisation of the bloc. Soviet leaders now travel frequently to the other Communist states. In the post-1957 period, Krushchev undertook a series of personal visits to all the Communist capitals. The party leaders of the bloc countries pay frequent visits to Moscow.

30. Soviet ambassadors to the bloc countries play an important role in directing and co-ordinating foreign policy within the bloc. At the moment there is a tendency for the Soviet Government to appoint high-ranking party officials as ambassadors to the other Communist states. In this way, Moscow obtains continuous contact with the national Communist parties of the bloc at a high level, directly subject to the guidance and control of the department of the Soviet Communist Party's Central Committee that is charged with the responsibility for dealing with bloc affairs.

31. To consolidate a common ideological-political line for the bloc countries an inter-party magazine has been published since September 1958. This magazine is entitled the World Marxist Review in its English edition, and Problems of Peace and Socialism in its Russian edition. It is published monthly, in all the languages of the bloc, and in seven other languages: Dutch, English, French, Italian, Japanese, Spanish and Swedish.

32. To summarise the situation, it can be said that the present political development within the Soviet bloc is increasingly transforming it into an international Communist empire, where foreign affairs, military affairs, and ideology are primarily under Soviet control.