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RFE DAILY REPORT NO. 75

1. BULGARIA: BASHEV'S VISIT APPEARS TO HAVE FOUNDERED UPON THE SHOALS OF MACEDONIA. WHILE THE SCHEDULE IS BEING FOLLOWED ROUTINELY, IT SEEMS CLEAR THAT THE EXERCISE WILL NOT BRING BELGRADE AND SOFIA CLOSER, AND MAY HAVE THE OPPOSITE EFFECT. THUS, TANJUG IN COMMENTING ON YESTERDAY'S MEETING BETWEEN TEPAVAC AND BASHEV REMARKED THAT BOTH SIDES "STATED THEIR POSITION AND OPINIONS ON THE MOST IMPORTANT QUESTIONS OF YUGOSLAV-BULGARIAN RELATIONS." NO MEETING OF THE MINDS IS INDICATED. BASHEV LEFT FOR SLOVENIA AND WILL VISIT A FACTORY IN KRANJ. TITO IS NOW STAYING AT BRDO KOT KRAJNA NEARBY. A MEETING MAY TELL US SOMETHING MORE WHICH MAY INFLUENCE THE OUTCOME OF THE VISIT AND MIGHT POSSIBLY ALSO REFLECT ON THE POLITICAL RETROGRESSION NOW APPARENT IN YUGOSLAV INTERNAL POLICY.

2. CZECHOSLOVAKIA: THE HUSAK INTERVIEW PUBLISHED IN RUDE PRAVO IS CRITICAL OF THE FEDERAL REPUBLIC OF GERMANY, BUT QUITE OBVIOUSLY LEAVES THE DOOR OPEN FOR WEST GERMAN INITIATIVES. ON THE ANNULMENT OF THE MUNICH AGREEMENT, HUSAK STATES THAT "...WE WILL WEIGH EVERY REALISTIC IDEA OR PROPOSAL." REFERRING TO BONN, HE SAYS, "WE ARE VITALLY INTERESTED IN SOLVING OUR RELATIONS WITH OUR NEIGHBOR. THERE EXISTS A WHOLE ROW OF FIELDS SUCH AS LONG-TERM ECONOMIC AGREEMENTS OR ECONOMIC AND TECHNICAL COOPERATION IN WHICH MUCH MORE PROFITABLE AND MUTUALLY ADVANTAGEOUS COOPERATION BETWEEN OUR COUNTRIES COULD BE DEVELOPED." BONN FOREIGN MINISTER WALTER SCHEEL THOUGHT HUSAK HAD OPENED THE DOOR A CRACK AND, REFERRING TO THE LATTER'S STATEMENT IN AN INTERVIEW WITH DEUTSCHE WELLE, SAID THAT "THE BONN GOVERNMENT IS READY TO EXAMINE JOINTLY WITH THE CZECHOSLOVAK GOVERNMENT WHAT STEPS COULD BE TAKEN FOR THE IMPROVEMENT OF RELATIONS." THE EXAMPLE OF THE FRG-POLISH DISCUSSIONS MAY, IN FACT, PROVE TO BE A POWERFUL MOTIVATION FOR ENTERTAINING THE IDEA OF SIMILAR DISCUSSIONS IN OTHER EAST EUROPEAN CAPITALS.

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THE THEME OF MODERATION IN CZECHOSLOVAK PARTY PURGES WAS STRUCK AGAIN BY CHAIRMAN OF THE CONTROL AND AUDITING COMMISSION OF THE BUREAU OF THE CZECHOSLOVAK CP-CC FOR PARTY WORK IN CZECH LANDS, VACLAV HAJEK, IN AN INTERVIEW WITH RADIO PRAGUE. HAJEK, OBSERVING THAT "WE ARE AT THE VERY BEGINNING OF THIS PROCESS (THE PURGING OF RIGHTISTS). MUCH REMAINS TO BE DONE BEFORE THE EXCHANGE OF PARTY CARDS TAKES PLACE," CALLED FOR "OBJECTIVITY" IN ASSESSING INDIVIDUALS "TO PREVENT INJUSTICE, REVENGE AND WITCH-HUNTING." THE NEXT PLENUM, SCHEDULED FOR MID-JANUARY, WILL DECIDE ON PROCEDURES FOR EXCHANGING PARTY CARDS, BY WHICH TIME THE PARTY PURGES ARE PLANNED TO BE, IN THE MAIN, COMPLETED. THUS, THE EXCHANGE WILL TAKE PLACE SOMEWHAT LATER THAN EARLIER ANTICIPATED AND THE PURGES WILL EXTEND CORRESPONDINGLY LONGER.

WE ARE NOT USING SPECULATION THAT VARIOUS ARTISTS' UNIONS HAVE BEEN LIQUIDATED AFTER THE CULTURAL CONFERENCE, BUT ACCEPT THE POSSIBILITY THAT THEY HAVE BEEN BROUGHT UNDER SUPERVISION FOLLOWING BRUZEK'S REMARKS. WE SHALL NOT USE SUCH SPECULATION UNTIL WE HAVE MORE EVIDENCE.



AT A DINNER GIVEN IN HIS HONOR BY THE BONN FOREIGN PRESS ASSOCIATION LAST NIGHT, FEDERAL PRESIDENT GUSTAV HEINEMANN SEEMED ALSO TO BE RESPONDING TO HUSAK'S INTERVIEW IN RUDE PRAVO WHEN HE REMARKED THAT THE 1938 MUNICH AGREEMENT COULD BE ABROGATED RETROACTIVELY IF THE RIGHTS OF THOSE INVOLVED WERE SAFEGUARDED.

3. HUNGARY: THE NATIONAL ASSEMBLY HEARD FINANCE PETER VALVI CALL FOR LIMITED WAGE AND PENSION INCREASES, PREDICT A RISE IN NATIONAL INCOME OF SIX PER CENT, A RISE IN THE COST OF LIVING OF ONE-AND-A-HALF PER CENT, AND A DEFICIT OF 1.9 BILLION FORINTS FOR 1970 (1969'S ANTICIPATED DEFICIT WAS 1.6 BILLION FORINTS). ANALYSIS OF THE 1970 BUDGET MUST AWAIT THE RECEIPT OF MORE DETAILED MATERIAL.

4. POLAND: RADIO WARSAW GAVE THE NAMES OF THOSE MEMBERS OF THE IDEOLOGICAL COMMISSION OF THE CC WHO ARE MEMBERS OF THE POLITBURO OR SECRETARIAT AS SZYDLAK, KLISZKO, OLSZOWSKI, TEJCHMA AND STAREWICZ, AND CONFIRMED THAT SZYDLAK IS CHAIRMAN OF THE GROUP. STAREWICZ IS THE ONLY MOCJARITE AMONG THE LEADING CADRES.

IN THE ABOVE-MENTIONED PRESS ASSOCIATION DINNER, HEINEMANN STATED THAT HE WAS PLANNING HIS SCHEDULED TRIPS ABROAD WITH A PRIORITY FOR VISITS TO NEIGHBORING COUNTRIES WHICH "HAD BEEN ATTACKED BY US." IN THIS CONTEXT HE STATED, "I WOULD ALSO BE PREPARED TO VISIT THE PEOPLES REPUBLIC OF POLAND IF THE PRE-CONDITIONS, FOR INSTANCE THROUGH THE ESTABLISHMENT OF DIPLOMATIC RELATIONS, ARE CREATED."

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6. OTHER: AS INDICATED IN YESTERDAY'S DAILY REPORT, CAA HAS ISSUED A BACKGROUND PAPER ANALYZING INTELLECTUAL DISSENT IN YUGOSLAVIA. THE PAPER POINTS OUT THAT THE NEW INTELLECTUAL FERMENT THAT EXISTS IN THE COUNTRY HAS BEEN PROMPTED BY THE PARTY'S PLANS TO RESTRICT FREEDOM OF CULTURAL EXPRESSION. IN ADDITION TO THE FERMENT IN INTELLECTUAL CIRCLES THERE APPEARS TO BE SOME INTERESTING NEW MOVEMENT WITHIN THE PARTY ITSELF. SPEECHES DELIVERED BY TITO EARLIER THIS YEAR FORESHADOWED A PURGE IN THE PARTY RANKS. THE EXTENT OF THOSE PURGES AND THE SERIOUSNESS OF THE PARTY'S DETERMINATION TO "PURIFY" ITS RANKS SEEMS GREATER THIS TIME THAN DURING SOME EARLIER ATTEMPTS TO CONTROL LIBERAL ELEMENTS. TWO REPORTS PREPARED FOR THE FORTHCOMING MEETING OF THE PARTY PRESIDUM WERE PUBLISHED IN BELGRADE YESTERDAY. THE REPORTS APPEAR TO INDICATE A PREDISPOSITION ON TITO'S PART TO DEAL WITH THE CURRENT DISSIDENCE WITHIN THE PARTY. BOTH LEFTIST AND RIGHTIST DEVIATIONS ARE CONDEMNED, BUT MORE EMPHASIS IS PLACED ON THE STRUGGLE AGAINST THE LATTER. THE REPORTS DESCRIBE THE SUPPORTERS OF THE LEFTIST COURSE AS PEOPLE WHO MAINTAIN THAT THE PARTY "SHOULD HOLD EVERYTHING FIRMLY IN HAND WITHOUT MAKING POSSIBLE THE REAL DEVELOPMENT OF SELF-MANAGEMENT AND THE DIRECT PARTICIPATION OF THE WORKERS IN SHAPING POLICIES AND DECIDING ON SOCIAL AFFAIRS." SUPPORTERS OF THE RIGHTIST DEVIATION ARE DESCRIBED AS THOSE WANTING TO TURN THE PARTY INTO A DISCUSSION CLUB. "THE THESIS ABOUT A DEMOCRATIC, FLUID AND DISCUSSION PARTY," ONE REPORT SAYS, "CONCEALS A TREND FOR THE LEGALIZATION OF THE EXISTENCE OF FACTIONS WITH THEIR OWN POLITICAL AND IDEOLOGICAL OUTLOOK WITHIN THE LEAGUE OF COMMUNISTS." WE BELIEVE THAT WHILE TITO MIGHT BE CONCERNED ABOUT THE APPARENT EXISTENCE OF BOTH LEFTIST AND RIGHTIST DEVIATIONS WITHIN THE PARTY, THE MEASURES TO BE INTRODUCED WILL PRIMARILY BE DESIGNED TO SILENCE LIBERAL ELEMENTS WHOSE VOICE IS MORE AUDIBLE THAN THAT OF THE SO-CALLED STALINISTS." UPON RECEIPT OF THE FULL TEXT OF THE MATERIAL, WE ARE PLANNING TO ISSUE A DETAILED ANALYSIS OF THE FERMENT WITHIN THE PARTY AND THE PROCEEDINGS OF THE FORTHCOMING MEETING OF THE PARTY PRESIDUM.

END MSG