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REPORT

OF THE

DELEGATION TO ROMANIA, HUNGARY, FEDERAL REPUBLIC OF GERMANY, AND FRANCE

OF THE

COMMITTEE ON ARMED SERVICES

HOUSE OF REPRESENTATIVES

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DELEGATION TO ROMANIA, HUNGARY, FEDERAL REPUBLIC OF GERMANY, AND FRANCE—MAY 27 TO JUNE 9, 1981

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REPORT OF THE DELEGATION TO EUROPE

Introduction

A nine member delegation from the House Armed Services Committee visited Romania, Hungary, Federal Republic of Germany and France during the period May 27 through June 9, 1981.

Purpose

The principal purpose of the delegation visit was to update the committee's information on conditions in Eastern Europe with emphasis on the prospects for greater regional stability and a lessening of tension in Poland and the area. Romania and Hungary appeared to be ideal sounding boards for making such an assessment and determining the extent to which problems in Poland were having an impact in other Warsaw Pact countries. Additionally, the delegation sought the views of Eastern bloc leaders on the East-West military balance and the possibility of further arms control negotiations between NATO and the Warsaw Pact.

The delegation visited the Federal Republic of Germany for discussions with senior American military commanders on the present military balance in the central NATO region, on recent developments in realignment of force deployments in Europe and on problems on U.S. service personnel stationed in Germany.

The purpose of the delegation's visit to France was twofold, viz., to visit the Paris Air Show—an international exposition of new developments in aircraft, avionics, propulsion, electronics and other technology having both military and civilian applications—and for discussions regarding cooperative efforts with American industry in the development and production of military equipment. Plans to meet with French government defense leaders had to be abandoned because of the French election situation but the delegation had a very informative visit to the largest producer of military aircraft engines in France.

Itinerary

The delegation visited the aforementioned countries during the specified periods: Romania, May 29–31; Hungary, May 31–June 3; Federal Republic of Germany, June 3; and France, June 3–9.

The delegation had extensive discussions and frank question and answer sessions with foreign policy and defense leaders in Romania and Hungary. In Romania, the delegation had the opportunity to meet with President Nicolae Ceausescu. Major officials with whom the delegation met included:

Romania

Nicholae Giosan, President of the Romanian Grand National Assembly (GNA);
Colonel General Ion Coman, Chairman of the GNA Defense Affairs Committee;
Major General Costain Olteanu, Minister of National Defense;
Stefan Andrei, Romanian Foreign Minister, and
U.S. Ambassador O. Rudolph Aggrey and members of his staff.

Hungary

Mr. Janos Peter, Former Foreign Minister and current Deputy Speaker of the Parliament;
Mr. Janos Papp, Chairman of the Parliamentary Defense Committee;
Colonel General Karoly Csemi, Deputy Minister of Defense, Istvan Darvasi, Lt. General Lajos Morocz, Janos Gostonyi, Major General Guyla Remenyi; and
U.S. Ambassador Harry Bergold and members of his staff.

Headquarters, U.S. European Command, Stuttgart-Vaihingen, West Germany

General James R. Allen, USAF, Deputy Commander-in-Chief (CIC), United States European Command (USEUCOM);
Lieutenant General Benjamin N. Bellis, USAF, Vice Commander-in-Chief, United States Armed Forces Europe (USAFE);
Lieutenant General Robert Haldane, USA, Chief of Staff, HQ, USEUCOM;
Major General Otis C. Lynn, USA, Chief of Staff, United States Army Europe (USAREUR)/7th Army;
Rear Admiral Samuel H. Packer, USN, Director, Operations Directorate (J–3), HQ, USEUCOM;
Major General Henry H. Harper, USA, Director, Logistics and Security Assistance Directorate, (J–4/7), HQ, USEUCOM;
Brigadier General Johnie Forte, Jr., USA, Director, Personnel and Administration Directorate, (J–1), HQ, USEUCOM;
Rear Admiral Lawrence Layman, USN, Director, Command, Control and Communications System Directorate, (C^3S), HQ, USEUCOM;
Colonel Robert T. Smith, Jr., USA, Deputy Director, Plans and Policy Directorate, (J–5), HQ, USEUCOM;
Major General Billy B. Forsman, USAF, Director, J–2, HQ, USEUCOM.

Romania

INTRODUCTION

Romania is a country of about 22 million people bordered by the Soviet Union to the north and east and by Bulgaria, Yugoslavia and Hungary to the south and west. Native Romanians, descendants of the ancient Dacians, make up about 88 percent of the population. Other ethnic groups include Magyars (Hungary) 8 percent, Germans 1.6 percent and small elements of Jews, Ukranians, Serbs, Croats,

and Russians. The area encompassing Romania has been the scene of many invasions and occupations; and as a result, the territory has been divided, reabsorbed and reapportioned by many of the surrounding states throughout the years. The Soviet Union, for example, annexed Bessarabia and northern Bukovina in 1947. After World War II Romania was ceded the northern part of Transylvania that had been part of Hungary. Romania's treatment of the Hungarian minority in this area remains a continuing source of friction between Romania and Hungary to this day.

Romania has been an independent country since 1878, but its history has been characterized by wars, changes in types of government and various alliances with neighboring states. Before 1938, the government was dominated primarily by members of the land owning aristocracy with only limited application of universal suffrage. During World War II, Romania fought with the Axis powers until late in 1944 when King Michael overthrew the Antonescu dictatorship and joined the allied effort against Germany in Czechoslovakia and Hungary. The Soviet Union annexed Bessarabia, occupied Romania, and subsequently supported Communist infiltration of the existing government. By 1945, Communist representation and influence was so powerful that the King was forced to abdicate and the Romanian Peoples Republic was formed. From 1945 to 1961 the Romanian Communist Party took its direction from the Soviet Union. Since 1961, however, Romania has pursued a more nationalistic course. While conscious of their national identity, Romanian leaders are painfully aware of the potential for Soviet intervention in their domestic or foreign policies. This has not prevented President Ceausescu from confronting the Soviet Union. Romania is the only Warsaw Pact country maintaining relations with China and Israel and was the sole ally of the Soviet Union to criticize her invasion of Afghanistan.

It has been Romania's declared aim during the past 10 to 15 years to develop national unity, strength and national independence especially in the area of foreign policy. Romania currently maintains diplomatic relations with 128 countries. In 1969, President Nicholae Ceausescu became the first post-World War II Communist leader to entertain a U.S. chief of state when he hosted a visit by then President Richard Nixon. In 1975, he welcomed another U.S. President, Gerald Ford, to Bucharest. Subsequent to President Nixon's visit, President Ceausescu made four trips to the United States in 1970, 1973, 1975 and 1978. Romania's desire for improved relations with the United States is exemplified by the agreement of 1978 signed by Presidents Ceausescu and Carter. The joint declaration reiterated the desire of both countries to "continue the development and expansion of relations between the two countries" and restated "the right of each state to existence, freedom, independence, and national sovereignty". Both Presidents declared their joint determination to continue meetings at the highest level and to encourage exchange meetings of parliamentarians. Specifically, they encouraged the development of cooperative economic ventures. There are now at least five American firms conducting business with Romanian partners and a somewhat smaller number of Romanian firms doing business in the United States.

DELEGATION MEETINGS

The delegation had the opportunity to meet with President Ceausescu at the Central Committee Building in Bucharest. The delegation also exchanged views with the President of the Romanian Grand National Assembly (GNA), Nicholae Giosan; the Chairman of the GNA Defense Affairs Committee, Colonel General Ion Coman; Major General Costain Olteanu, Minister of National Defense; and Stefan Andrei, Romanian Foreign Minister. The delegation also had an extensive meeting with the U.S. Ambassador O. Rudolph Aggrey and his staff.

ECONOMIC TRENDS

During the past 10 to 15 years, Romania's economy has made impressive strides in modernization but the strain is beginning to show. Until the late 70's the Romanians sustained one of the highest gross national product (GNP) growth rates in Europe—about 8 percent per year. But by 1980 the economy had been thoroughly buffeted by lowered productivity, the energy crisis and trade balance problems to the point where growth had fallen dramatically. The rate of GNP increase from 1979 to 1980 was only 2.5 percent with decline noted throughout the economy. Agriculture production in 1980 dropped by 5 percent and industrial production showed the lowest growth rate in years. The government has recognized, perhaps belatedly, the agriculture problem and has taken steps to slow the exodus of the labor force from rural areas to the industrial sector and has announced that an objective of the new five-year plan is to increase agriculture output by 5 percent per annum from 1981 to 1985.

The United States and Romania have developed a healthy level of trade, about $1.03 billion in 1980. The trade balance is, however, tipped in favor of the United States by about 2 to 1. Our exports are mostly agricultural goods while the Romanians export small manufactured goods and speciality foods. Notwithstanding this imblance, trade has provided the impetus for improved relations between the two countries. President Ceausescu expressed his hope to the delegation that trade would increase and that restrictions placed on export licenses would be eased.

Romania's share of trade with non-Communist countries has steadily risen from the post-war level of about 17 percent to approximately 55 to 65 percent in recent years.

FOREIGN RELATIONS

Romania's foreign policy has pursued a course independent of the Soviet Union since the early 1960's. In 1962, a major schism developed with the Soviet Union after the Soviets attempted to subordinate Romania's industrialization to increase agriculture output under the supra-national structure of the Council for Mutual Economic Assistance (CMEA).

President Ceausescu maintains a very visible personal and energetic profile at foreign meetings having visited more than 20 countries from 1978 to 1980. A preeminent theme of Romanian foreign policy—reiterated to the delegation by President Ceausescu—is the right of

national independence and the tenet of non-interference in the internal affairs of other states. In this regard, the President expressed concern over the situation in Poland, but warned against "over exaggeration." He believes the Polish people must solve their problems without outside interference. In his opinion, intervention by Soviet troops would only complicate matters for the Russians and he accused unnamed Western countries of interfering and supporting some elements in Poland.

President Ceausescu and other members of the government with whom the delegation met stressed repeatedly their concern over the level of the arms race. President Ceausescu stated that all of Europe is concerned with the new medium range nuclear missiles about to be fielded in Europe. He stated that cessation of the arms race and disarmament is a matter of "life and death." He urged the United States to make concrete proposals so that the people can judge who is and who is not interested in arms reduction. The President, as well as other Romanian officials, avoided the question posed by the delegation concerning the underlying reasons for the massive Soviet buildup of conventional and strategic arms. Undoubtedly, President Ceausescu believes that the easing of strained international relations is contingent upon the reduction of arms between the two superpowers. He contended that future arms negotiations should involve not only the United States and Soviet Union but other nations as well.

When questioned on the human rights issue, President Ceausescu emphatically stated his opposition to emigration. He described Romania as a developing country; one that needs her citizens to stay and improve conditions and to fight for a better life. From a practical economic viewpoint, he stated the state pays for education and training of doctors and engineers, all with a view toward developing Romania. These trained citizens should remain to carry out the process. The President stated, however, that Romania will solve humanitarian problems but that reunification of families should only be considered in terms of relatives of the "first degree"—by which is meant, we assume, children, parents and grandparents.

DEFENSE

While maintaining a force of 140,000 men, the Romanian armed forces are judged by many authorities to have a low combat capability. Most of their equipment is purchased from other Warsaw Pact nations. Military service is compulsory and each soldier serves about 18 months. Some of this required time, however, is spent in public works projects or in industry. General Olteanu, Minister of Defense, explained this is an attempt to intergrate military service with society and to strengthen the ties between the people and the Army. By 1990 all inductees will be graduates of high school, at present all have completed at least 10 years of schooling.

Romania is a member of the Warsaw Pact, but does not participate in Warsaw Pact maneuvers nor allow Warsaw Pact maneuvers within her borders. Romanian observers, however, attend Warsaw Pact activities. General Olteanu was emphatic advising the delegation that Romanian troops would never be commanded by foreign (non-Romanian) generals. When asked what advantage there was in remain-

ing in the Warsaw Pact, General Olteanu prefaced his response by saying all troops should be withdrawn from foreign countries. He said that Romania was part of the Warsaw Pact because it was a defensive alliance. But he declared that Romanian soldiers would only be commanded by Romanian officers.

Colonel General Ion Coman, a former Minister of Defense, and presently Chairman of the Grand National Assembly Defense Committee cited figures to support his contention that the Romanian budget for defense was decreasing. In both 1979 and 1980, the Defense budget stood at Lei 12.5 billion (15.0 Lei equals 1 U.S. dollar), but was reduced to Lei 10.5 billion in the 1981 budget. An assessment of the impact of this reduction on defense capability is difficult because of the aforementioned participation of armed forces personnel in the private sector. Evidently, the military is reimbursed by industry for this source of manpower which complicates any analysis of defense efforts from a strictly financial standpoint.

Romanian and U.S. military relationships have continued at a level that is not typical of those with other members of the Warsaw Pact. There have been high level meetings of key military personnel including a visit to the United States in 1974 by General Ion Tutoveanu, Commandant of the Romanian Military Academy and by General Coman, then Deputy Minister of Defense. (General Coman became the Chief of the General Staff in 1975.) General Fred Wyant, then U.S. Army Chief of Staff, made an official visit to Romania in 1975. Since 1978, U.S. Navy ship port calls have occurred and since 1979 they have included a flag officer.

THE FUTURE

President Ceausescu intends to emphasize industrial development to bring Romania from an underdeveloped nation to one that is economically modern and progressive. As an example, he cited the agreement with General Electric to build two nuclear power generating stations. The President indicated his desire to build 10 such stations by 1992 with an ultimate objective of 15 by the end of the century.

There will be obstacles to this modernization—possibly of sufficient magnitude to jeopardize the society he has attempted to construct. Of prime importance will be Romania's supply of energy. Romania lost important sources during the Iranian revolution and during the Iran-Iraq war, and began importing oil from the Soviet Union in 1979. These imports doubled in 1980. The Ploesti oil field in south central Romania accounts for 12 million metric tons of oil annually, however, this provides for slightly less than one-half percent of Romania's energy requirement. Because Romania must pay the Russians in hard currency, a source of reinvestment capital is lost to the economy.

While reinvesting heavily in the industrial sector the new five year plan may not provide sufficient resources for the agricultural sector to reverse its decline. Agricultural inefficiencies are so institutionalized that it is estimated that while employing 30 percent of the work force, Romanian agriculture generates only 15 percent of the nation's income. Unless this situation is reversed, development will continue at a less than optimal pace.

Labor shortages may slow development of both the agricultural and industrial sector. While the Romanian working age population grew by about 7 percent from 1970 to 1975, it is estimated that from 1975 to 1990 it will grow at a rate of only .5 to .7 percent per year. It is possible that this is already having an impact on the economy as reflected in the length of the work week. Repeated delays have been experienced in implementing the declared policy of reducing the work week from 46 to 40 hours. In 1970, the five-year plan called for a reduction to 44 hours by 1975. This objective has now been slipped to 1985. The requirement for additional labor may more completely explain the use of armed forces personnel in public works projects and industry.

HUNGARY

BACKGROUND

Hungary is a country of approximately 10.7 million people. It is bordered by the Soviet Union, Czechoslovakia, Romania, Austria, and Yugoslavia. Hungary was described to the delegation by U.S. Ambassador Harry Bergold as "only the torso of its former self." The country once included Transylvania, Ruthenia, Slovakia, the Silesia area of southern Poland, part of Austria, a large part of Yugoslavia and all of Croatia. The country shrunk to its present size in 1920 after World War I. Hungary was forced to sign the Treaty of Trianon on June 4, 1920. This Treaty made Czechoslovakia, Romania, and Yugoslavia the principal beneficiaries of some 75,000 square miles of Hungary's territory. Of its population of over 18 million at that time, nearly 10 million of the country's went along with the transferred territory. Today, it is estimated that nearly 6 million Hungarians are scattered in surrounding countries.

In 1948, according to Ambassador Bergold, the country entered a period of very rigid Stalinism. Ruling members of the government were "imported" from Russia. These leaders were replaced by indigenous Communists in the early to mid 50's. In 1956, demonstrating university students were joined by large crowds calling for democracy and an end to Soviet domination. These uprisings led to the very bloody Hungarian revolution of 1956 in which between 100,000 and 200,000 were killed. An estimated 200,000 Hungarians fled the country.

Budapest is one of Europe's most beautiful cities. The scars of the 1956 revolution, however, are still present in the form of bullet holes in government and residential buildings.

For a time it looked like the Hungarians were going to have a somewhat independent government under Imry Nagy. But when he moved to take Hungary out of the Warsaw Pact, Stalin ordered his troops in. The Soviets installed a new government after negotiations conducted by Yuriy Valadimirovich Andropov, the current head of the KGB.

The Soviets negotiated a deal with Janos Kadar, who had once been a prisoner of the Soviets and had been treated very badly, and Kadar became and remains head of the Hungarian leadership. That government moved slowly at first but by 1960 Kadar had started economic reforms. Between 1963 and 1968 a group of bright, young economists changed the face of the Hungarian economy, leading to

a system that probably provides a better standard of living than in any other Communist bloc country.

The group eased up the collectivization and allowed market forces to be introduced. The economy, in contrast to the standard Marxist model, is based on agriculture, recognizing that Hungary is a natural agricultural country. Farmers are organized into cooperatives, but private agricultural plots are not only allowed but encouraged and the agriculture cooperatives act something like an extension service, providing feed and advice. Forty-five percent of the pigs marketed in Hungary last year were from the private sector. Some have described the Hungarian economy as seeking a middle ground between Marxist orthodox economic principles and capitalism.

Hungary exports substantial amounts of food; it doesn't have to import any food. Last year it exported one million tons of grain; in 1981 it will export about one and a half million tons.

DELEGATION MEETINGS

The delegation had the opportunity to meet with Hungary's former foreign minister and current Deputy Speaker of the Parliament, Mr. Janos Peter, and Mr. Janos Papp, Chairman of the Parliamentary Defense Committee. These gentlemen provided the delegation with an excellent insight concerning Hungary's perspective on the situation in Poland as well as in global affairs.

Mr. Peter was obviously well read on some of the activities of the House Armed Services Committee. He had read and quoted from a report of the Committee's Delegation to the Pacific Theater in January 1980 (Committee Print No. 22; 96th Congress, 2nd Session). He made specific reference to that delegation's meeting with Singapore's President Lee Kwan Yeu wherein Lee warned of Soviet intentions on a global scale. Mr. Papp was also familiar with the committee's activities as well as U.S. defense cliches. He commented on the "peace through strength" phrase often quoted and suggested that the term "with confidence"—confidence in the form of trust between nations—be added.

The delegation was also pleased to have had the opportunity to meet with Lt. General Karoly Csemi, Hungary's Deputy Defense Minister as well as other members of the defense committee and senior military officers.

THE HUNGARIAN PERSPECTIVE

Mr. Peter highlighted the near 25–year period of peace in Hungary. He emphasized his belief that Hungary is much stronger today than it was in 1956. The main reason given for Hungary's development, he said, is that Hungarians are working hard to create a world of "mutual confidence." The Deputy Speaker advised the delegation that "Hungarians want to create a mutual confidence in the different walks of life in Hungary." He spoke of the need for a world characterized by mutual confidence and offered his judgment that such confidence coupled with personal meetings between leaders of the superpowers form the necessary preconditions to avoid confrontation.

Mr. Peter believes that the West must recognize the need for Socialist countries. He included the need for such recognition at the

superpower level and stated that, "It would be best if the Soviet Union recognized that it needed the United States and conversely, that the United States recognized it needed the Soviet Union." In addressing, indirectly, crises that occur in Socialist countries, Mr. Peter reminded his listeners that all human actions are burdened by mistakes. People who are trying to make new social systems by injecting new ideas, he contended, are bound to make mistakes. But, he added, these people do their best to learn from their mistakes and Hungarians do their best not to forget the lessons of the past. Mr. Peter remarked that people who learn from their own mistakes are in the best position to correct their own problems. It seemed clear to the delegation that he was making two points: Hungarians had improved their system by avoiding the doctrinaire mistakes of the past and by also avoiding confrontation with the Soviets.

The Deputy Speaker applied this thought to the situation in Poland. It was his contention that nobody is considering the history of Poland in looking at the problems that exist there today. He expressed confidence that the Polish nation is capable of solving its own problems.

It is interesting to note that while Mr. Peter was suggesting that the Poles could and should solve their own problems, the Hungarian media was taking a line very critical of the Solidarity labor movement in Poland.

The media reaction reflects the care with which the Hungarian government avoids being too far out of line with the Soviets in policy matters regarding external affairs.

By contrast, Mr. Peter reflected the views of a number of leaders who sincerely hoped that Poland would solve its problems without interference from East or West. The confidence they have in Poland's ability to do so, however, was not an easy thing to measure.

In regard to United States/Hungarian relations, Mr. Peter offered his hope that they would continue to improve. He urged that the United States pursue a line to lessen international tension. He was very sensitive to the effect of world tension on his nation, especially in his emphatic statement that ". . . we don't want any more wars."

Without doubt, Hungary is enjoying favorable East-West trade relations and fears that a return to the cold war will have an adverse impact on current and future commercial contracts. Mr. Peter recalled that when world tension eased, Hungary established commercial contracts with the West. He recently completed a six state Latin American visit and proposed that Hungary enter into a joint venture to produce Hungarian buses with General Motors engines for Colombia.

The Hungarian perspective on recent world events was interesting and, in the judgment of the delegation, at times unique. Mr. Peter's assessment of Afghanistan is a case in point. He cited the Soviet invasion of Afghanistan as an end product of the "mistakes of the Carter Administration." He referred to President Carter as a missionary who wanted to eliminate Communism. Mr. Peter offered his opinion that the Soviets had the idea that they were being encircled. The Deputy Speaker said the Soviets viewed President Carter's plan as being similar to President Truman's plan to encircle the Soviet Union with countries sympathetic to American interests.

Mr. Peter made reference to a statement from the 26th Congress of the Soviet Union, that warned, "Security of the Soviet Union is threatened from the South." It was this threat, according to Mr. Peter, that caused the Soviets to invade Afghanistan—an act that in his judgment represented the end rather than the beginning of tension. It is not possible to eliminate Communism through missionary reform, as Mr. Carter wanted to do, Mr. Peter said.

The delegation found this unique explanation of the Afghanistan invasion singularly unconvincing.

Hungary closely follows the Soviet lead in military affairs and so the Hungarian perspective on arms agreements was not surprising. The delegation was told by both Mr. Peter and Mr. Papp that it is the United States not the Soviet Union that is the "implied provocateur" in the arms race. The delegation pointed out repeatedly that the Soviets have mounted an unprecedented buildup of conventional and strategic arms during times when the United States cancelled the B-1 strategic bomber, the enhanced radiation weapon, etc. Lt. General Csemi commented that the number of Soviet weapons that the delegation made reference to were U.S. estimates that were "not familiar to us." The Hungarian military representatives were adamant in their statements that chemical weapons did not exist anywhere on Warsaw Pact soil—a statement that is in direct conflict with intelligence information provided to the delegation.

Regardless of where blame is placed for the arms race, it is apparent that Mr. Peter and Mr. Papp believe that Hungary's economic development is best served by a lessening of world tension. Both gentlemen repeatedly stressed the need for talks between the leaders of the superpowers.

Hungary wants to continue East-West trade and improve relations with the United States. The July 1978 Bilateral Trade Agreement resulted in an extension of Most Favored Nation (MFN) status to Hungary. Undoubtedly, visits of U.S. legislators are important to the Hungarians and Mr. Peter expressed the hope that visits between parliamentarians will continue and that there will be better understanding between the two countries. Mr. Price, on behalf of the delegation, urged the Hungarian parliamentary group to visit the United States.

HUNGARY'S DEFENSE—POLICY AND FORCES

During the delegation meeting with Chairman of the Parliamentary Defense Committee, Janos Papp, Hungarian representatives expressed the view that the United States had embarked on a course to achieve military superiority. At the same time, it was stated as the Hungarian view that the United States did not plan to attack the Warsaw Pact nations. Members of the delegation pointed out that the United States was trying to catch up with the Soviets—maintain military equality rather than superiority. Indeed, the greatest concern for Hungary, according to Chairman Papp, was fulfilling the policies of the government in "meeting the aspirations of our people." This, according to Mr. Papp, is why the country's leaders spend less time than in the past on military issues. But Mr. Papp, as did Mr. Peter, expressed deep concern over the "chilly winds" that now blow over foreign affairs.

Hungarians "really want peace," having suffered through two world wars, Mr. Papp emphasized. When asked by the delegation why Hungary remained in the Warsaw Pact, Chairman Papp responded with a twofold answer. First, Hungary is located in a position where it cannot safeguard its own peace; consequently, membership in the Pact takes some of the burden off of its shoulders. Secondly, membership in the Pact builds socialism and peace. Because of the Warsaw Treaty, Mr. Papp stated, "we don't have danger from the side of these countries".

The role of the Defense Committee in military matters is primarily one of oversight. The committee, according to Chairman Papp, does not become involved in the details of how much weapons should cost or how many military items are needed. The Defense Committee's concern is limited strictly to policy.

Hungary's defense budget according to Mr. Papp amounted to about 3.5 percent of the country's total budget. An actual figure was not mentioned nor was there any mention of the size and makeup of the Hungarian defense forces. It is the delegation's understanding, however, that the Hungarian army is made up of some 80,000 to 85,000 troops. With the air force and a small river navy, the armed forces total about 110,000. Additionally, there are over 125,000 in the reserves. This force supplements about 70,000 Soviet troops, although some estimates credit the Soviet forces in Hungary with as many as 250,000 troops. The Soviet forces are well equipped and are sometimes accompanied by their families. A "dupa" system is employed whereby the Hungarian unit parallels the Soviet unit. When the Hungarian unit is trained and ready, the Soviet unit moves on. The delegation was advised that there are approximately two tank divisions and two motorized rifle divisions in the Hungarian army. The Hungarian forces are well trained and are rated highly by military observers. Hungary makes armored personnel carriers, small arms, tank artillery and other armaments in its competent arms manufacturing facilities. The Soviet T–64 tank is the country's main battle tank, although it has some of the "export models" of the T–72. Conscription is used for personnel with active duty tour set at 18 months. There is talk of reducing it to 12 months. The standard tour for the Soviet conscripts is two years.

VISIT TO A COOPERATIVE

The delegation had the opportunity to visit a collectivized farm—the Obuda cooperative.

The cooperative grows flowers and produce and its leaders proudly briefed the delegation on its plans and organization. The cooperative market's cut flowers, especially carnations, are very successful in Europe. It is obviously viewed as a model of what is called the New Economic Mechanism (NEM).

In 1968, Hungarian economists formally introduced the NEM—a comprehensive modification to the country's economic approach that had been over a decade in the making. The NEM was designed to provide greater latitude in economic decision-making through decentralization. Businesses were encouraged to focus on profit-making rather than gross output. Central plans were instituted whereby economic

regulators such as taxes, prices, credits, etc. influenced business practices rather than compulsory directives. Market forces are allowed to guide economic activity. This is simply an extension of the economic reordering carried out in the mid-1960's by President Kadar's economic planners.

Questioning the leaders of the Obuda cooperative, the delegation learned that decisions on assignment of personnel to jobs and on promotions and pay were often determined by supply and demand and by job performance and output, much as in Western countries.

THE FUTURE

Hungary's energy sources tend to constrain its economic growth rate. The country is poor in raw materials and has had a history of energy problems. Hungary, having lost one-third of its pre-World War geography, lost much of its natural resources. According to Mr. Peter, Hungary's membership in the Council for Mutual Economic Aid (COMECON) greatly assists the country in meeting its energy requirements. Over half of its energy needs are imported in the form of natural gas, oil and electric power.

Hungary's sixth five year economic plan, which commenced this year, projects that the economic growth rate will increase by 3 percent annually.

Headquarters, United States European Command
Stuttgart-Vaihingen, West Germany

On June 3, the delegation met with U.S. military commanders at the Headquarters of the United States European Command (USEUCOM) located at Patch Barracks, Stuttgart-Vaihingen, West Germany. The purpose of the delegation's visit was to review military readiness in the NATO theater, discuss changes in force deployments and consider personnel and morale needs of U.S. troops stationed in Germany. General Bernard Rogers (USA), Commander-in-Chief of USEUCOM, was unable to be present at the meeting because of a schedule conflict. Deputy Commander-in-Chief, General James R. Allen (USAF), hosted the delegation.

The United States European Command is a unified command that reports to the Joint Chiefs of Staff and exercises operational command over all United States forces in the European theater. The Commander-in-Chief of the USEUCOM also serves as Supreme Allied Commander, Europe (SACEUR). The primary mission of the forces assigned to USEUCOM is to join with the forces of the allies to form the Allied Command, Europe, a command that General Rogers would head as the SACEUR during a contingency. The headquarters of the Allied Command, Europe is located near Mons, Belgium.

The USEUCOM is composed of three component commands. General Frederick Kroesen commands the U.S. Army, Europe (USAREUR) and is headquartered at Heidelberg, West Germany. General Kroesen also serves as Commander of NATO's Central Army Group (CENTAG). The USAREUR currently consists of over 200,000 men and women.

General Charles Gabriel commands the U.S. Air Forces in Europe (USAFE), a command that consists of some 68,000 men and women.

Like General Kroesen, General Gabriel also heads a NATO command, Allied Air Forces, Central Europe (AAFCE). The USAFE headquarters are located at Ramstein Air Base, near Kaiserslautern, West Germany.

The third USEUCOM component command is U.S. Naval Forces, Europe (USNAVEUR). Vice Admiral Ronald Hayes commands USNAVEUR, a command that consists of 39,000 U.S. Navy and 5,000 U.S. Marine Corps personnel. The headquarters of USNAVEUR are located in London, England.

The primary mission of the USEUCOM is to provide trained, combat ready forces to the NATO alliance. The command carries out wartime planning for both conventional and nuclear contingencies. The USEUCOM is also responsible for several other missions and functions including providing for the readiness of United States forces; planning for crisis management; collection, analysis and dissemination of theater wide intelligence; security assistance to friendly governments; planning and executing evacuation of U.S. non-combatants in the NATO area of responsibility; and providing for humanitarian relief on request in the event of natural disaster.

While at USEUCOM Headquarters, the delegation received detailed briefings on the command structure, mission and capabilities of USEUCOM; on the security assistance program; and on a highly classified activity. These briefings were of a classified nature and classified information obtained will be retained in the committee.

The briefings were accompanied by a lengthy question and answer session touching on a wide range of topics. Of primary interest to the delegation were General Allen's views on how the new Administration's defense budget proposals might improve USEUCOM's ability to carry out its mission. The basis for this interest was a statement made by General Rogers when he appeared before the House Armed Services Committee on February 19, 1981. At that time, General Rogers said ". . . NATO now, in my opinion, has been surpassed or soon will be in all categories of war fighting capability necessary to implement our NATO strategy." At that hearing, General Rogers went on to say that, "Every year Allied Command Europe gets stronger, but every year the gap between the force capabilities of Allied Command Europe and those of the Warsaw Pact gets greater."

General Allen told the delegation that he was pleased with the new Administration's emphasis on providing for a strong national defense but that even with the significant increases in defense spending proposed by President Reagan, USEUCOM is still several years away from having all of the equipment on hand necessary to meet its NATO responsibilities. General Allen said that while USEUCOM is now in reasonable shape in POL (Petroleum, Oil, Lubricants) stocks, serious shortages persist in air-to-air and air-to-ground missiles, 155mm ammunition, tanks, armored personnel carriers, trucks, spare parts, etc. In addition to these hardware shortages, the delegation was told a more fundamental problem currently exists. Even if hardware inventory goals were met, USEUCOM does not presently have an adequate distribution system to move stocks from their storage sites to the locations where they would be needed.

During his February 19 appearance, General Rogers had also told the committee that the U.S. Army does not have an adequate

manpower base from which to mobilize today and that he was ". . . embarrassed that the United States finds itself in that position."

General Allen reaffirmed General Rogers' concerns about the U.S. manpower mobilization potential and further noted that there are serious deficiencies in our airlift and sealift capability to move the men and equipment needed to augment the NATO forces in the event of a contingency. Once in theater, U.S. augmenting forces also would face a lack of sufficient facilities for bedding down the reinforcements on U.S. bases. The United States has worked out an arrangement with our allies to place these forces and supplies on nearby allied bases. However, this arrangement, referred to as the "Colocated Operating Bases (COB)" concept, suffers from a lack of housing and storage sites on the COBs. A so-called "minimum essential package" of construction projects has been identified to provide for accommodating U.S. augmenting forces but these projects must be supported from NATO infrastructure funds. General Allen told the delegation that he faces a "Catch 22" situation in this regard. While he believes COB related projects should be funded from NATO infrastructure funds, sufficient infrastructure funds are currently not available. General Allen made a plea to have the U.S. prefinance these COB related minimum essential package projects with the understanding that repayment would eventually be made from NATO infrastructure funds.

In response to a question from Mr. Stratton on the impact events in the Indian Ocean, Persian Gulf and Afghanistan have had on USEUCOM's ability to carry out its mission, General Allen told the delegation that the responsibility for contingency planning for Southwest Asia had been assigned to the Rapid Deployment Force Joint Task Force headquartered at McDill Air Force Base, Florida. At the present time, it is anticipated that all of the resources needed to respond to a Southwest Asian contingency would be drawn from the Continental United States. An extreme emergency might require a shifting of equipment and personnel from USEUCOM, but the command has been assured that immediate replacements would be forthcoming in the event such were to occur.

General Allen pointed out, however, that in the event forces were needed to respond to a Southwest Asia contingency, these forces would not be available to reinforce USEUCOM should a NATO contingency develop at the same time. General Allen stressed the importance of making this known to our NATO allies because to the extent reinforcements are not available, the NATO allies will have to take up the slack with their reserve forces.

The delegation inquired about family housing and was told that in many areas of USEUCOM responsibility, the family housing situation was "grim." One of the greatest deficiencies faced by the command is not being able to adequately house the military personnel and their dependents committed to an overseas deployment. Not only is housing in scarce supply but in many instances that which is available is of substandard quality. Lt. General Benjamin Bellis, representing General Gabriel, told the group that one of the prime reasons soldiers do not reenlist is because of the housing situation in Europe. General Bellis bluntly told the group "Gentlemen, you

wouldn't let your family or your children's family live in much of the housing available to our people."

The testimony agrees with other evidence that the family housing situation in Europe is deplorable. The delegation believes it is a distortion of priorities to spend billions of dollars on new weapons systems while at the same time not providing adequate housing for the personnel who must operate and maintain those systems. The delegation believes that military personnel should not suffer because of a disagreement over whether infrastructure funds, host nation or U.S. Defense appropriations should pay for troop housing.

Speaking to the issue of dependents overseas, General Allen told the delegation that the command was extremely pleased to hear that the committee had proposed legislation to remove the ceiling of 325,000 on command-sponsored dependents overseas. General Allen said this ceiling has had a serious impact on troop morale. As General Rogers has said in the past, the command views the ceiling as "... just another irritant, another burr under the saddle, another instance of messing over our troops." General Allen urged the committee to hold firm on its position to remove the ceiling.

The delegation was pleased to learn that many of the hardware deficiencies previously identified by General Rogers in his appearances before the committee are apparently being addressed by the new Administration's long range defense program. However, the delegation believes the current readiness posture of USEUCOM is unsatisfactory and that extraordinary steps must be taken if USEUCOM is to be responsive to its NATO commitments. Although the delegation did not have an opportunity to examine the readiness of the forces of our NATO allies, it was told that most of our allies have even more serious readiness problems.

Certainly all of the NATO partners must do more if the NATO alliance is to remain responsive to the expanding threat.

Delegation Visit to the Paris Air Show

The delegation visited the Paris Air Show during the period June 3 through June 9.

The air show is an international exposition of the latest development in aircraft, avionics, propulsion, electronics and other technology having both military and civilian applications. While in France, the delegation had the opportunity to visit the Societe Nationale D'Etude et de Construction de Moteurs d'Aviation (SNECMA) aircraft engine plant at Evry-Corbeil.

The delegation was impressed with the technological achievement of both our allies and potential adversaries alike. Without question, the Europeans are closing the technological gap with the United States in terms of weapon systems, subsystems and components. One of the most impressive displays at the show was the Soviet Mi–26 heavy lift helicopter. This helicopter, whose design was managed by Soviet designer Marat Tischenko, has a 22-ton lift capacity. The Soviets appeared pleased to have members of the delegation examine and even photograph the massive helicopter, its instruments and subsystems. The rotor blades, which are over one hundred feet in length, are heated and are assembled in lengths of about two feet from composite material.

The delegation was advised by the Soviet representatives that the hydraulic system incorporates complete redundancy with either of two systems being capable of operating the aircraft. These and other features of the Mi–26 clearly provide the Russians with a rugged, heavy-lift aircraft that has no equal in the world today.

The delegation observed the latest in European missile developments including a United Kingdom long-range tactical cruise missile having an airfield attack capability. It was one example of the fact that European firms have made substantial advances in guidance and control, propulsion and avionics technology. Joint ventures with U.S. firms continue. The delegation viewed a prototype version of a new Air Defense Anti-Tank System—the ADATS—a joint venture between a United States and Swiss firm. The ADATS incorporates current technology in the form of radar, forward looking infrared, television and optics for target acquisition and tracking.

What is apparent from the delegation's visit to the air show is that the technology gap is closing and that the United States must continue to invest heavily in basic research and development if it is to ensure a lead in critical military technology.

Delegation Visit to SNECMA

On June 5, 1981, the delegation traveled to Evry-Corbeil, France, to visit the largest administrative center of SNECMA, France's largest producer of aircraft engines and is presently engaged in a joint venture with General Electric to produce the CFM56 engine. The CFM56 engine is under consideration by the U.S. Air Force to re-engine the KC–135 tanker aircraft.

Located some 30 kilometers south of Paris, SNECMA's Evry-Corbeil Center is a production facility where all services having a direct relationship with engine production (manufacturing, quality control, laboratories, production engineering) are located. The Center employs a workforce of 4,000 people.

While at Evry-Corbeil, the delegation received excellent briefings from Mr. Maurice Avramito, Vice President, Commercial Engines and Mr. Jean Bilien, General Manager, Commercial Engine Sales, on the history and current capabilities of SNECMA. The SNECMA Company was formed in 1945 from the merger of several French aero-engine companies and has primarily devoted its efforts over the years to developing and producing aircraft engines. The company is currently 90 percent owned by the French government.

Officials at SNECMA expressed optimism about the future of the joint SNECMA/General Electric venture to produce a family of CFM56 engines both for commercial and military uses. This joint venture is being carried out under the auspices of the CFM Company, a company equally owned by SNECMA and General Electric. To date, ten carriers have selected the CFM56 for re-engining their Douglas DC–8 series 60 aircraft. In the military arena, the U.S. Air Force has awarded Boeing a contract for re-engining studies of a KC–135 prototype tanker aircraft with the CFM56. The French Air Force is also considering re-engining its C–135F tanker aircraft with the CFM56.

In addition to the briefings, the delegation also toured the Evry-Corbeil Center. The delegation was greatly impressed by the Center's modern facilities and automated production procedures. This facility, together with others in the SNECMA family, has made SNECMA a vital force in the fiercely competitive world-wide engine market.

Summary and Findings

There has been a tendency to view the Soviet client states in Eastern Europe, the Warsaw bloc states, as a solid entity slavishly following the Soviet foreign policy line and uniquely tied to the Soviet economy.

One of the most important lessons of a trip such as that completed by the present delegation is that there are indeed differences among the Socialist countries as there are among Western democracies. What the delegation saw in its visits to Romania and Hungary and what it learned about other states in discussions with those countries and in other areas brings home the point that the countries of Eastern Europe are very individualistic in their outlook, their approach to both their domestic programs and to foreign policy. Certainly, we ought to try as a nation to understand these differences, to encourage the trade and other relations with the United States, and to recognize the value of individual developments in different Eastern countries.

It is clear that these countries want to be treated as sovereign nations and not just as members of the bloc. And it is equally clear that their bilateral relations with the United States are important to them. One Hungarian representative told the delegation, "When you look at our similarities, don't forget to take note of our differences."

The differences between Romania and Hungary are particularly striking. Romania has a constitutional provision which prohibits the stationing of foreign troops on Romanian soil, which, among other things, prevents the stationing of any Soviet troops within Romanian borders. Romania does not participate in Warsaw Pact exercises and Romania experiments with an extraordinarily activist and disparate foreign policy for such a small nation—extending ties and bilateral relations with many countries in a way that stresses her independence from her neighbors. Hungary, by contrast, has some 70,000 Soviet troops stationed within its borders, it participates fully in Warsaw Pact exercises, and at least in public expression, follows the Soviet line with considerable precision in foreign policy.

In domestic programs the contrast is equally startling. Hungary runs a modernistic economic system that tries to choose from both Socialistic and free market models those aspects that would work best for Hungary. It is an economy based squarely on agriculture and it is accompanied by a domestic political environment that provides considerably more personal freedom than one expects in a controlled Communist country. Romania, by contrast, runs an economy based on the classic Marxist model, an economy that has emphasized industrial development at the expense of its agriculture foundation and an economy which, like many other Communist economies, is not working too well. While Romania runs a very ritualistic foreign policy, its domestic political situation is much closer to the represessive Marxist model.

One strong similarity between the two countries which the delegation believes would be found in other Eastern bloc countries is the strong desire for lessening of tension between the United States and the Soviet Union. Both countries are enjoying trade relations with the United States and leaders of both countries sense that a heightening of tension between superpowers could bring them difficulties without any corresponding benefits.

VIEWS ON POLAND

Both Romanian and Hungarian leaders publicly expressed to the delegation a similar view on Poland—that the Polish people should be allowed to solve their own problems without outside intervention. They likewise publicly expressed the view that Poland could do so.

While some of these statements were framed in the rhetoric of Communist dialectic to imply that the threat of intervention would come from the West, it seemed clear that both were implying that intervention from the East was equally undesirable. The Romanians in particular appeared to make that point more explicit.

As a result of private discussions with both U.S. representatives and representatives of a number of countries, the delegation became aware of a somewhat more pessimistic view of the Polish crisis. Obviously, the Romanians, the Hungarians and all of the countries of the Eastern bloc are rooting for the Poles to solve their problems without Soviet intervention and without bloodshed. Upheaval in Poland that would involve Soviet forces would have reverberations that would create difficulties for all other nations of the Eastern bloc. The delegation can best be summed up by saying that there is great hope but great uncertainty as to whether or not the Polish problems can be solved peacefully. The leaders we talked to were not unmindful that the Polish government has extraordinarily difficult economic problems and the solution to its political difficulty lies in finding a solution to those economic problems. It is the belief of the delegation that privately there are great fears in these other countries about eventual developments in Poland.

The trip was the first official visit of an Armed Services Committee delegation to Romania or Hungary. The delegation was well received by the leaders of both countries and the hope was expressed that such visits would continue.

The delegation concurs that exchange visits by parliamentarians can make a contribution to better understanding between countries and can, in some small way, contribute to a lessening of tension. The visits can serve as the beginning of a very useful dialogue.

MILITARY BALANCE

Regarding the present military balance between NATO and the Warsaw Pact, the delegation reiterates the need to improve readiness. There are serious deficiencies in airlift, weaponry, and support equipment that could result in sustainability problems should a crisis occur. The delegation strongly endorses the need for increased emphasis on military construction for U.S. forces in Europe.

Some of the questions the delegation sought to assess in discussions with NATO officers and elsewhere was the quality of the forces in various Warsaw Pact countries and the possible reliability of those forces in the event of a conflict. Some of those forces are quite good and should not be underestimated. How they would perform in a conflict is open to considerable variety of opinion and, in the view of most experts, would depend upon the nature and the source of the conflict. One of the best answers received privately by the delegation was from one expert who said that the reliability of Soviet Warsaw Pact allies could very well depend on which direction the FEBA (forward edge of the battle area) is moving. With overwhelming Soviet forces nearby and moving west it may not be realistic to expect that some Warsaw Pact nations would not support Soviet effort. How they would react if the battle is moving in another direction is a different question. Such thoughts raise the interesting perspective for NATO commanders as to the degree with which they should be preparing an offensive strategy and should be prepared to show their allies and potential enemies alike that the FEBA in a conflict would not necessarily be moving reluctantly westward.

EUROPEAN TECHNOLOGY

One of the delegation's major observations at the international air show was that European advances in technology have greatly reduced the technological lead that the United States has maintained over our allies and potential adversaries. The development of the Soviet heavy lift helicopter—the Mi–26—is unparalleled in terms of its size and capability. The delegation was pleased, however, that the United States was well represented in the exhibit by such equipment as the Air Force F–15 and F–16 aircraft, the joint NASA/DOD XV–15 tilt rotor vertical and short take off and landing aircraft, and the Navy's F–18 fighter/attack aircraft.

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