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Despite the restrictions on independent political activity, the Polish Government does permit a relatively free intellectual life within certain limits. Poles meet openly with Western diplomats and reporters, and among themselves hold wide-ranging debates on religion, politics, and Polish society. The government strongly encourages public participation in state-and party-sanctioned consultations on a variety of issues and decisions, occasionally producing lively results. The underground press remains strong and unofficial cultural events take place in churches and private homes around Poland.

The Polish Government allows a high degree of religious freedom, although it has maintained its long-term policy of restricting religious influence. Churches are free to preach and proselytize and, to a lesser extent, to build and publish. The Roman Catholic Church continues to broadcast Sunday Mass on state-run radio; the smaller Protestant groups do so on a rotating basis. The Government also allows religious gatherings, such as pilgrimages and conferences without significant interference. Nevertheless, the Government makes clear that it expects the gatherings to maintain a purely religious nature. Although the vast majority of Poles are religious adherents, persons who openly profess religious belief usually find it difficult to rise to leading positions in government and industry, largely because these are party-controlled. The Government is continuing its attempt to introduce the study of religion into the elementary and high school curriculum, a measure opposed by the Roman Catholic Church which sees the course as the propagation of atheism.

The Roman Catholic Church is the predominant religious force and the single largest independent social institution in Poland. A substantial majority of all ages and social groups participate regularly in Catholic religious services. The next largest community is the Orthodox Church which claims approximately 800,000 adherents. Although there is some social prejudice against the Orthodox Church, this does not appear to be government-inspired. Approximately a dozen other religious denominations exist in Poland, and the government allows them to practice their faiths freely as long as they avoid activities the government considers political.

The government bans labor union pluralism and the officially sanctioned National Trade Union Alliance (OPZZ) continues to be the only legally recognized labor organization in Poland. The right to strike remains severely circumscribed. Authorities have fired, arrested, and imprisoned activists of the "delegalized" Solidarity trade union. Nevertheless, independent union activity enjoys worker allegiance. Solidarity supporters have remained active on many worker self-management councils, where they have achieved some successes in defending the rights of workers.

Despite its official imprimatur, the OPZZ has shown some opposition to the government's economic and housing policies, particularly in response to government decisions on pricing and working hours. Workers are often subject to pressure in the workplace to join the new unions. The OPZZ claims to have 6.5 million members and belongs to the World Federation of Trade Unions (WFTU). It has regular contacts with the trade union organizations of other communist countries. At the Tenth Congress of the WFTU in East Berlin, OPZZ Chairman Alfred Miodowicz announced that the OPZZ had asked the Polish government to take another look at its decision to withdraw from the ILO effective November 1986.

The Polish Government officially subscribes to the principle of equality for all citizens, regardless of ethnic or religious background, age or sex, and generally adheres to this in practice. There is no officially-sanctioned or institutionalized discrimination against any social group. Though generally ethnically homogenous, Poland has some ethnic and linguistic minorities, most prominently Byelorussians and Ukrainians. Many of these two groups are of the Orthodox faith. There are a number of small Protestant communities, as well as a very small group of Muslims and a few thousand Jews.

Hungary. During this reporting period, Hungary continued to enjoy a relatively good human rights record although several negative developments also took place. Last March 15, one of Hungary's most famous writers and playwrights, Istvan Csaruka, delivered a lecture in New York in which inter alia, he appealed to Hungarians worldwide to "assume responsibility and make sacrifices with special attention to the fate of Hungarians beyond our borders who vegetate in the ancient Hungarian villages and towns of the Carpathian Basin under the condition of cultural and now also ethical liquidation." Because Csaruka authorized a representative of RFE to broadcast his remarks, last July the authorities decided to bar Csaruka from all access to the established Hungarian media. In response to the media ban, Csaruka declared that he will not return to the publishing field until "those morbid circumstances which resulted in my suspension will be eliminated." In an unusual act, Hungarian Deputy Minister of Culture Gyorgy Vajda discussed Csaruka's suspension in an interview carried in a government daily of August 9. Vajda claimed that Csaruka failed to demonstrate "elemental loyalty" by cooperating with "propaganda centers" opposed to socialism and the Hungarian government.

In the same interview, Vajda confirmed that the regional literary monthly journal "Tiszataj" had been suspended as of its June issue because of a "series of errors in publication policy (and) a lack of responsible and democratic workshop operations." The June issue included poems by controversial

poet Gaspar Nagy plus commentary on the 1956 Hungarian uprising. In addition, and perhaps more importantly, "Tiszataj" had evolved into a forum for disseminating populist sentiment i.e., of those who are primarily concerned with the fate of the greater Hungarian nation. In both the Csurka and Tiszataj cases, the authorities underscored the limits of acceptable political commentary.

Most of those Hungarians who had previously been barred from obtaining travel documents for political reasons continue to benefit from last October's liberalization. This rule has not, however, been uniformly applied. One member of the "democratic opposition," writer Janos Kis, for example, has been unable in recent months to obtain a passport to travel to the West. Another member of the same group, Laszlo Rajk, found himself out of work after returning from the U.S., but appears to enjoy continued use of his passport. Notwithstanding these exceptions, the bulk of those who took the opportunity to travel have not experienced any adverse repercussions after returning to Hungary.

The authorities' attitude toward samizdat has not changed during the reporting period. Despite periodic house searches and fines for distributing illegal publications, the regularity and variety of samizdat remains unchanged and there has been no serious effort to bring a stop to samizdat operations.

A harmonious church-state relationship continued during the reporting period. All faiths which are willing to recognize the government and accept communism are officially recognized. This excludes only Jehovah's Witnesses and some very small sects, which on principle will have nothing to do with the government. All the heads of recognized religion sit in parliament. Roman Catholic and other conscientious objectors to military service continue to be tried and sentenced. We believe there are at least 115 individuals serving three-year prison terms for refusing military duty. Catholics are discriminated against in the conditions of their imprisonment, and are not offered the possibility of alternative service as are Nazarenes and Adventists, whose faiths specifically prohibit bearing arms. As a result of the death of Cardinal Lekai, the Roman Catholic Primate of Hungary, the Vatican must negotiate with the government of Hungary to fill his seat, as well as numerous other dioceses currently vacant or filled by retirement-age incumbents.

German Democratic Republic. The 25th anniversary of the Berlin Wall highlighted the continued refusal of the GDR to respect four-power sovereignty over greater Berlin and the right of freedom of movement for all people through all sectors of the city. On May 26, the GDR unilaterally imposed new

passport and visa requirements for diplomats and non-Allied military mission members in Berlin. This move to impede freedom of movement in the city appeared intended to establish the demarcation line between the Soviet and Allied sectors as an international frontier. As of June 15, however, the GDR returned to procedures which had previously applied. In the summer, the GDR's practice of facilitating a heavy flow of third-world transit travelers (or so-called "asylum-seekers") through the Western sectors of Berlin became an issue of contention. In September, however, the GDR announced that, as of October 1, 1986, it would no longer allow third-world travelers to transit the GDR to the Western sectors of Berlin unless they had visas for an onward destination.

The GDR continues to restrict the fundamental freedoms of thought, conscience, religion, and belief among its people. The activities of the Ministry of State Security's secret police are pervasive. Without judicial controls, the police may install listening devices, open private mail, or interrogate whomever they chose.

With the exception of church-sponsored events held on church grounds, groups are not allowed to organize events without official approval. Participants in some meetings on church grounds have encountered difficulties with GDR authorities. GDR church officials also complain that authorities have increasingly impeded contacts with West German church representatives.

In connection with the anniversary of the Berlin Wall, an FRG government agency which records GDR human rights violations announced it had registered 24,716 prosecutions for political offenses in the GDR over the past twenty-five years. Former GDR border guard Bodo Strelow has been in solitary confinement for the past six years as punishment for a failed escape attempt which resulted in the loss of an eye and his hearing. A Warnemuende family was sentenced to prison because of an unauthorized visit to the FRG Permanent Representative in East Berlin. The husband received a sentence of five years, the wife three years eight months, and the eighteen-year old son fifteen months. In another violation of fundamental freedoms during this reporting period, the GDR refused permission to author Lutz Rathenow to visit the United States at the invitation of the University of Texas, and let it be known that only GDR cultural figures who present a positive image of the GDR will be allowed to travel abroad. The GDR also recently reaffirmed a ban on Christian Scientists and Jehovah's Witnesses.

There have been some positive developments, however. As noted in Chapter I, emigration figures remain encouraging and the GDR is continuing its experimentation with travel relaxation. However, it appears that spouses are no longer

allowed to travel together to the West for family visits, as was occasionally possible during the last reporting period. So far the GDR has not reacted negatively or repressively against a number of small human rights groups which occasionally send letters demanding greater human rights to GDR leaders as well as to the Western press.

Czechoslovakia. Czechoslovak performance in respecting human rights and fundamental freedoms remains unsatisfactory and has not improved over the past six months. Freedom of conscience remains severely restricted and there has been an increase in reports of persecution of religious activists during the last six months. The government bans certain proselytizing groups outright (e.g., Jehovah's Witnesses) and intervenes arbitrarily in the operation of all other religious bodies. Religious education of children and intending clergy is strictly controlled and unofficial gatherings such as privately celebrated masses, prayer meetings, or educational sessions are forbidden. Male religious orders have been banned since 1950, and women's orders are barred from accepting new members. All clergymen require state licenses and all promotions must be approved by the authorities. Only a small number of new candidates are granted licenses. While it is true that, at least recently, there has been an increase in acceptances into theological seminaries, the resultant increase in the number of licensed Catholic clergy will not keep up with attrition within the population of priests. Also, a priest's license can be revoked at any time and without explanation. Clergymen who continue to follow their calling after losing their licenses are subject to criminal sanctions. The supply of religious literature is inadequate, and efforts to supplement it by "underground" printing or unauthorized imports are punished harshly.

Bystrík Janík, whose interrogation and harassment is described in the last report, has begun serving a 28-month prison term because of church activities he has pursued without a state permit. Jan Dus, formerly a licensed minister of the Evangelical church, was detained on May 20 and charged with harming the interests of the republic abroad. The police searched his apartment for a 22-hour period May 20-21 and confiscated tapes, typewriters, and correspondence. Pavel Dudr, Jaromír Nemec, František Adamek, and Augustin Navrátil are awaiting trial on suspicion of printing and distributing religious literature following searches of their homes in 1985. No trial date has yet been set. Pavel Dudr and Jaromír Nemec were held in detention from the time of their arrest in November 1985 until May 1986. Augustin Navrátil was also held in detention until March when authorities moved him to a psychiatric facility for observation. According to informed sources, the state prosecutor appealed a court decision to

release him from the hospital on September 19 and, as a result, Navratil remains at the hospital. Pavel Wonka, an "unofficial" candidate for office in this year's elections, was detained on May 26 with his brother Jiri Wonka because he tried to distribute his election material even though the Central Elections Commission rejected his candidacy. Pavel Horak was originally detained on January 23 in connection with distribution of leaflets announcing the exact times and places of church and graveside funeral observances for Nobel Laureate Jaroslav Seifert. Horak was charged with "incitement." Police searched his apartment and confiscated personal correspondence and duplicating devices and he was sentenced by the District Court in Teplice to 14 months imprisonment. The regional court in Usti Nad Labem increased the sentence on May 30 to 18 months.

The home of Catholic layman Michael Mrtvy, who has been in detention since July 24, was searched by police who confiscated a duplicating machine, stencils, paper, some Charter 77 materials, and religious literature. The state has instituted criminal proceedings against Mrtvy on the charge of incitement and held him in detention despite his reportedly ill health. Poet and Charter 77 signatory Herman Chromy was sentenced by the Prague Regional Court on July 25 to two years imprisonment for subversive activities. Court proceedings were open to the public and were well attended. Chromy was prosecuted for statements he made at his place of employment, for distributing unauthorized literature, and for his criticism of officials of the Soviet Union and Czechoslovakia in a letter one witness denounced as a forgery. Jaroslav Svestka appealed his April 28 conviction for subversion in August. Though the court upheld the verdict, it reduced his sentence somewhat. Svestka was brought to trial for allegedly sending a letter to a friend in West Germany containing comments on George Orwell's book "1984." In November 1985, police seized religious literature and a copying device from the home of Eduard Banka. Banka was sentenced to seven months in prison in August 1986, on charges of obstructing state supervision over churches and religious societies.

Additionally, the Czechoslovak police have taken steps to prevent contact between dissidents and U.S. officials. In July, a United States Senator was denied entry by Czechoslovak authorities to the home of Czechoslovak citizens whom he attempted to visit. Also in July, Czechoslovak police prevented Czechoslovak citizens from visiting the American Ambassador's residence for a reception.

Western press reports, which we have not been able to confirm, charge Czechoslovak security forces with having set dogs on pilgrims participating in a July 19 pilgrimage to a Marian Shrine in Gaboltov in Eastern Slovakia.



Inside Czechoslovakia, implementation of the Final Act is monitored by a small group of private citizens who are signatories of Charter 77. An associated group, VONS, gathers and publicizes information concerning individual cases of human rights abuses. Charter 77 has existed for nine years and VONS for eight, despite official persecution, but there is some concern that the human rights atmosphere in Czechoslovakia may be growing tense again. One constant feature of life for Chartists is discrimination against them and their families in employment and education. At present, four Chartists are serving prison terms ranging from one to twelve years (Eduard Vacek, Walter Kania, Frantisek Veis and Jiri Wolf). Three other Chartists are imprisoned, but the judicial process in their cases is not complete (Peter Cibulka, Jan Dus and Herman Chromy). Four other Charter signatories, who previously have served prison terms, are subject to "protective supervision" (Ladislav Lis, Jiri Gruntorad, Frantisek Starek, and Ivan Jirous).

Membership in the state trade union, the "Revolutionary Workers' Movement" (ROH), is virtually compulsory, and the ROH is controlled from the top. Independent trade unions are forbidden, as are strikes and other forms of independent labor activity. Intellectuals such as artists, writers, and others are organized in professional associations, which are under strict party control.

The government's unwillingness to tolerate independent initiatives on the part of its citizenry was demonstrated during the reporting period. The most egregious instance involved actions taken on September 2 against the Jazz Section, which originally was a legally-constituted association of some 7000 jazz fans throughout Czechoslovakia. In March 1985, the Jazz Section was dissolved under a 1968 statute banning "counter-revolutionary activity" and leaders of the Section were subjected to surveillance, interrogations, loss of employment, and other forms of harassment. Despite this pressure, the Jazz Section continued to function at least partially until September 2, 1986, when the police conducted searches of the offices of the Jazz Section and the houses and places of employment of the seven members of its steering committee. All steering committee members were arrested and eventually charged with "operating an unauthorized enterprise."

Bulgaria. Bulgaria substantially conformed to its obligations under Helsinki Principles One through Six and Eight through Ten during the April-September 1986 period. Bulgarian government policies continue, however, to violate Principle Seven. The government's implementation of policies designed to suppress the ethnic identity of the country's Turkish minority, to inhibit the free practice of religion, and to discourage any dissent against official politics remained substantially unchanged from preceding periods.



While the reports of official violence that accompanied the "name-change" campaign of 1984-85 have not recurred, governmental repression in the ethnic Turkish areas of the country continues, and an atmosphere of fear and resignation prevails. Despite government actions to limit the access of independent observers to those areas, reports during the period by Amnesty International, Helsinki Watch, and a few Western journalists temporarily able to elude regime controls confirmed embassy observations of the coercive nature of the government's policies. Still unconfirmed reports suggest that Bulgaria may have begun implementing an assimilationist program of forced resettlement of some ethnic Turks to non-Turkish areas of the country. Despite official denials that the use of the Turkish language in public is prohibited, numerous reports indicate that such a ban is broadly enforced. Embassy officers visiting Kurdzhali in June 1986, moreover, saw a sign posted in a cafe enjoining customers to socialize "only in the Bulgarian language." Restrictions on Islamic rituals traditionally followed by the ethnic Turkish population also remain in force. Many ethnically Turkish areas remained closed to diplomatic and other travelers without rarely-granted special authorizations. Heavy surveillance and intimidation of potential interlocutors were the usual concomitants of diplomatic travel even to normally "open" areas.

In August 1986, Halil Ibishev, a former member of the Bulgarian National Assembly was able to reach Turkey and speak publicly on the situation of his fellow ethnic Turks in Bulgaria. The most prominent member of the Turkish minority yet to escape the regime's control, Ibishev confirmed the oppressive nature of the government's policies and the opposition to them on the part of the Turkish minority.

Parallel to the government's suppression of ethnic Turkish identity are its restrictions on the exercise of the Muslim religion. While some Mosques have remained open -- often only for Friday prayers -- many others have been closed. Muslim rites (circumcision, weddings, burials) are restricted or forbidden. The Koran is not published locally and cannot be imported. Bulgarian Muslims are not allowed to participate in the annual pilgrimage to Mecca.

With an implicit focus on Islam (although with a more general application to all religions), the policy directives adopted at the communist party congress in April called for an increase in "ideological work against religious anachronisms" in favor of a broader acceptance of "the socialist festive and ritual system." Shortly thereafter, an article in a May 1986 periodical published by the Bulgarian Communist Party Central Committee attacked Islam for "alienating its followers from their own homeland and people" and identified "the overcoming of Muslim superstitions, prejudices, observances, and

traditions" as "a condition and a prerequisite for the acceleration of the regenerative process until the final consolidation of the descendants of the Islamicized Bulgarians into the Bulgarian Socialist nation."

The Bulgarian Orthodox Church, on the other hand, enjoys a relatively privileged status and, in return, loyally supports the government's domestic and foreign policies. Even so, the government's official policy is one of discouragement of religious practice, and it keeps a close watch on the church's activities. Attendance at Easter services at Sofia's Aleksandr Nevsky Cathedral, for instance, was restricted to those granted special "invitations," and police barricades prevented all others from approaching to within even a block of the cathedral. As with the Koran, the importation of Bibles is forbidden, and no Bibles have been printed in Bulgaria since 1982, when small numbers were produced. An Embassy officer who sought to purchase a Bible at a "religious" bookstore in Sofia during the period was told that the store had no Bibles and did not expect to have any for sale in the future.

Armenian Christian, Jewish, Roman Catholic, and some Protestant denominations also exist in Bulgaria, with small numbers of adherents. While ethnic Armenians and Jews claim no conflicts with the government, the State's relations with Catholics and Protestant groups continue to be more strained. The inhospitality of the government to religious groups even further beyond the enforced "mainstream" of Bulgarian life is illustrated by an August 1986 news article that reported the discovery and suppression of a Hare Krishna group in Sofia and declared the regime's "uncompromising" attitude towards such "ideological sabotage."

Bulgaria remains a tightly-controlled society in which all peaceful dissent or opposition to official policies is firmly suppressed. The government's approach appears to have been successful in preventing popular dissatisfaction from crystalizing into organized opposition or active dissidence on a wide scale. Those few dissidents known by name to the Embassy remained either incarcerated or under close police surveillance and often in provincial isolation during the reporting period.

#### Implementation of Principle IV and Associated Madrid Concluding Document Commitments on Terrorism

Principle Six of the Helsinki Final Act commits the signatories to refrain "from direct or indirect assistance to terrorist activities, or to subversive or other activities directed toward the violent overthrow of the regime of another participating state." The Madrid Concluding Document contains

language strengthening this commitment, and expressing determination to "broaden and reinforce mutual cooperation to combat such acts." The participating states agreed to "take all appropriate measures" to, inter alia, "prohibit on their territories illegal activities of persons, groups and organizations that instigate, organize or engage in the perpetration of acts of terrorism."

Compliance with the relevant Helsinki and Madrid commitments concerning the prevention and suppression of terrorism by the Soviet Union and its Warsaw Pact allies has been poor during the reporting period. Several of these states continue to have ties with terrorist organizations, and are usually silent when a unified response to terrorist attacks is especially needed. Some limited positive trends were seen, but the East continues to muddy the issue of fighting terrorism by qualifying its statements on the subject with references to "national liberation movements" and the like.

The Soviet Union, through Tass, issued a statement in September condemning the PanAm hijacking in Karachi, calling on all governments to join in effective cooperation against terrorism, and expressing Soviet willingness to participate in "practical elaboration of active measures." In Eastern Europe, moreover, there may be growing recognition of the dangers of international terrorism and the need for international cooperation to counter it.

Failures in compliance continue, however. The involvement of the East Berlin Libyan People's Bureau in the bombing of the "la Belle" discotheque in West Berlin on April 5 called into question the effectiveness of GDR and Soviet measures to prevent and suppress the preparation and organization of terrorist acts. The continued silence of the Bulgarian media on the 1985 Rome and Vienna airport bombings is indicative of an oft-repeated failure among some states to speak out against terrorist acts.

#### Document on Confidence-Building Measures And Certain Aspects of Security and Disarmament

The signatories to the Helsinki Final Act are required by the Act's Document on Confidence-Building Measures and Certain Aspects of Security and Disarmament to give prior notification of "major military maneuvers exceeding a total of 25,000 troops, independently or combined with possible air or naval components." Notification is required for maneuvers that take place on the territory, in Europe, of any participating state, and must be made 21 days or more in advance of the start of the maneuver. The notification "will contain information on the designation, if any, the general purpose of and the states

involved in the maneuver, the type or types and numerical strength of the forces engaged, and the area and estimated time-frame of the maneuver. Participating states will also, if possible, provide additional relevant information, particularly that related to the components of the forces engaged and the period of involvement of these forces."

In addition, signatories are encouraged to engage in other confidence-building measures (CBMs) on a voluntary basis. These voluntary CBMs include the invitation of observers to maneuvers and prior notification of major military movements and of exercises involving fewer than 25,000 troops.

As noted earlier, signatories adopted a more ambitious and mandatory set of confidence- and security-building measures (CSBMs) at the Stockholm CDE, which adjourned September 19. These CSBMs are designed to reduce the risk of military confrontation due to miscalculation or misunderstanding, and, if fully implemented, can contribute to a more stable and secure Europe.

#### Implementation

The United States and its NATO Allies continued their excellent record of implementation of the Helsinki CBMs, implementing not only the mandatory CBM requirement to notify, but voluntary CBMs as well, such as observer invitations. The Federal Republic of Germany notified the major military maneuver "Fraenkischer-Schild," which took place from September 15-26 on the territory of the Federal Republic. Approximately 50,000 troops, including soldiers from the US, the FRG, and Belgium, participated in the area of the Main and Neckar Rivers. Norway also provided notification of the field training exercise "Blue Fox - 86," which was held in Vestfold County from September 9-15. Observers were invited to attend both maneuvers.

Eastern implementation of CBMs, on the other hand, was largely limited to the "letter" of the Helsinki Final Act; rarely was the "spirit" implemented through application of voluntary CBMs. And Eastern notifications did not always provide the kind of information called for in the Final Act.

The Soviet Union provided notification of one major military maneuver. An exercise involving approximately 25,000 Soviet personnel took place in the vicinity of Gardelegen, Halle and Cottbus in the German Democratic Republic September 8-13. The USSR provided notification of this exercise on August 18 -- three weeks in advance of the exercise. While the timing of the notification was in accordance with the Final Act, no designation or name for the activity was given, as provided for in the Helsinki Final Act.

Also, voluntary measures were not implemented inasmuch as observers were not invited. The GDR also provided notification for the same exercise.

In addition, Soviet forces participated in a major Warsaw Pact military maneuver "Druzhiba - 86" in September on Czechoslovak soil.

As in previous reporting periods, the Soviet Union did not provide voluntary notification of any smaller-scale exercises. The only Soviet notification of an exercise involving fewer than 25,000 men came in 1983.

The Czechoslovak Government notified the United States and, reportedly, all other CSCE signatory states, of a military exercise, called "Druzhiba - 86," held on Czechoslovak territory September 8-12. The US and a number of other signatories were invited to send two observers.

Unfortunately, observers were not permitted to engage in the same level of comprehensive observation of the notified activity that their Czechoslovak counterparts enjoy during NATO maneuvers. Czechoslovak authorities limited actual observation time during the three-day period to a total of about three hours. In addition to this general restriction, specific limitations on the use of personal binoculars, tape recorders, and cameras existed, affecting the ability of observers to judge the nature of the activity.

After discussions, the Czechoslovak authorities relented somewhat and permitted some use of recorders. They also supplied high-quality binoculars but remained adamant in their prohibition of photography. In spite of assurances to the contrary, the Czechoslovak hosts did not permit access to troops, unit commanders, or command posts. Western observers reported information gaps in briefings about the exercise. Unbriefed subjects included, but were not limited to, the location, size, and origin of participating units as well as basic questions of deployed equipment. Observers had at their disposal neither an overall printed scenario nor a list of attendees by country.

Generally, the East continued its practice of maintaining a very restrictive interpretation of its obligations under the Helsinki Final Act. As pointed out earlier, unlike the practice of the US and its NATO Allies, Soviet implementation of voluntary confidence-building measures has been the exception rather than the rule. Since 1980, the USSR has invited observers from selected Western countries to only two military maneuvers -- "Kavkaz - 85" and "Dnestr - 83." The latter, which involved less than 25,000 Soviet troops, was also the only exercise notified by the USSR on a voluntary basis.

## CHAPTER THREE

### IMPLEMENTATION OF BASKET II: COOPERATION IN THE FIELDS OF ECONOMICS, OF SCIENCE AND TECHNOLOGY, AND OF THE ENVIRONMENT

The implementation of Basket II provisions by the Soviet Union and East European countries continued to show little improvement during the reporting period. The overall record, especially in the areas of business working conditions and economic and commercial information, remained poor. Balance of payments and other economic difficulties led to increased pressure for countertrade.

A major reorganization of the Soviet Union's economic and trade apparatus complicated Western business contacts with Soviet officials but may, in the future, provide more opportunities for businessmen. Pan American Airways resumed service to Prague for the first time since 1978 and is working to expand its modest presence there. At the same time, business conditions worsened in some other East European countries. The deteriorating economic situation and an unresponsive bureaucracy made Bulgaria a more difficult assignment for resident businessmen. Tightened access to Romanian plants for foreign businessmen continued to make operations there difficult, resulting in a number of lost potential sales. One U.S. firm closed its Bucharest office due to prohibitive operating costs.

The quality and quantity of economic and commercial information remained poor, although the Soviet Union published figures on agricultural production for the first time since 1979. In general, most statistical reports provided little useful information and had limited utility, especially for businessmen. Information in the foreign trade area was particularly insufficient for market research purposes, and many observers believe the published data were unreliable.

Joint ventures are being increasingly promoted in the Soviet Union and Eastern Europe. A review is underway to determine how Soviet law would have to be changed to permit joint ventures, and Western companies have reportedly submitted specific joint venture proposals for consideration. Industrial cooperation arrangements continued to be touted as the basis for Hungary's trade expansion program. Several East European governments increased their commitment to promote joint ventures by creating or amending joint venture legislation; however, improved business conditions are required prior to Western business participation in such ventures.

While difficulties such as visa restrictions remained, there were efforts to improve cooperation in science and technology. Many of the East European countries also showed a greater interest in the area of environmental protection. For example, Czechoslovakia has reached modest agreements with Austria and the Federal Republic of Germany (as well as with Poland) on environmental cooperation.

### Soviet Union

General Assessment. Soviet implementation of Basket II provisions showed no signs of improvement and continued to be poor. General business conditions, especially for small and medium-sized firms, remained largely unchanged during the reporting period. Contacts with Soviet officials were complicated by a major reorganization of the government's economic and trade apparatus. For example, substantial turnover and reorganization in the Ministry of Foreign Trade has created problems in finding out who is in charge. Once the reorganization takes effect, there may be greater opportunities for closer cooperation with smaller Western highly specialized firms.

Business Working Conditions. In general, U.S. business representatives had few complaints of interference by UPDK (Soviet Diplomatic Services Bureau), Customs, or the Ministry of Finance in their office operations. Firms are still required to wait for UPDK to identify replacement office workers. Also, access to Soviet end-users in some industries showed no signs of improvement. The economic/trade reorganization has made it difficult for businessmen to maintain contacts and develop new working relationships with Soviet trade officials. U.S. firms generally reported fewer problems in obtaining inquiries from Soviet foreign trade organizations (FTOs) than before the May 1985 meeting of the joint U.S.-Soviet Commercial Commission.

At the end of the review period there were twenty-eight U.S. firms, plus the U.S.-USSR Trade and Economic Council, with accredited offices in Moscow.

High rents at the Sovincenter international trade complex continued to create serious difficulties for many small firms which have established non-accredited offices in Sovincenter's residential wing. In the absence of other office options, these firms had to pay the high rates. Firms desiring to move from one location to another reported that waiting lists are up to two years long. As in the past, most non-accredited firms continued to experience problems in meeting their requirements for office equipment, vehicles, and clerical support.



Hotel and housing conditions for businessmen did not change. Visiting businessmen generally were able to obtain suitable hotel accommodations. As a rule, housing remained satisfactory.

Travel and visa restrictions were essentially unchanged from the previous six months, with businessmen required to remain within the highway ring in the Moscow area. One problem noted was the delay in the renewal of a multi-entry visa for the permanent General Electric representative. Other than this recent problem, business representatives lodged few complaints about travel and visa restrictions.

Accredited representatives of U.S. firms, whether or not actually resident in Moscow, did not report difficulties in renewing their individual accreditations. Soviet authorities directly involved in accreditation processing have hinted that only the most serious companies should apply for accreditation due to the work load created for them by the process.

In the area of international communications, U.S. firms and most other Western firms which sought new telephone lines for direct dialing out of the USSR received such service. Many continued to experience delays of up to eight hours on incoming calls, however, and raised this problem with Soviet officials. The question remains whether companies with offices in Moscow should be liable for Soviet income taxes on incomes derived from services provided by subsidiaries and affiliated companies without offices in the Soviet Union.

Availability of Economic and Commercial Information. The availability of information on the economy remained limited and the quality of data was often poor. Access to Soviet officials for discussion of current economic developments remained restricted. As noted, the Soviets did publish agricultural production figures for the period since 1979.

Policies Concerning Economic and Commercial Cooperation Arrangements. Soviet officials are encouraging U.S. firms to consider cooperation arrangements of all types. They are soliciting proposals from U.S. firms for industrial cooperation and joint venture type arrangements as a way of generating more hard currency and acquiring Western technology. A review is underway to determine how Soviet law would have to be changed to permit joint ventures, and many Western companies have reportedly submitted specific joint venture proposals for consideration.

Official Visits. During the reporting period there were two high-level official visits related to economic questions. In June, Under Secretary of Agriculture Amstutz conducted a round of semiannual negotiations on the US-USSR long-term grain

agreement. In September, Under Secretary of Commerce Smart attended the opening of the Inprodtorgmash '86 Food Processing Equipment Show in Moscow and met with various Soviet officials. This was the first U.S.-sponsored exhibition since 1979.

Policies Toward Countertrade Arrangements. Soviet pressures on Western firms to link their prospects for sales to the Soviets to purchases of Soviet goods increased during the period as a result of the loss of hard currency revenues from lower oil prices.

Policies Affecting Small and Medium-sized Enterprises. Policies affecting small and medium-sized enterprises remained no different from those affecting other companies. The practicality of doing business in the USSR, however, severely limits the prospects for small and medium sized enterprises.

Development of Forms and Methods of Cooperation in the Fields of Science, Technology and the Environment. U.S.-Soviet science and technology cooperation continued to expand during the review period. Positive steps included a new interacademy agreement, a joint Atomic Energy Committee meeting (the first since 1978), two high-level visits to Moscow under the Bilateral Housing Agreement, an experts' meeting on reviving civilian space cooperation, and preparatory work for a study of the health effects of the Chernobyl nuclear reactor accident within the framework of more active bilateral health agreements. A post-Chernobyl reactor safety project was established under the US-USSR Atomic Energy Agreement.

Without a doubt, the Chernobyl accident was the single most important event of the review period, damaging Soviet international prestige and causing enormous economic and environmental harm and unknown -- but certainly severe -- long-term public health effects.

The Soviets continue a long tradition of secretiveness in discussing science and technology advances by restricting the flow of information and direct scientist-to-scientist contacts. Moscow continues to host a variety of international conferences and presses the foreign delegations to make public statements and sign conference decrees supporting Soviet positions on arms control, particularly with regard to the Soviet-proposed nuclear testing moratorium and anti-SDI rhetoric.

In agriculture, a number of exchanges have taken place under the recently reactivated Agricultural Cooperation agreement. Fewer Soviet teams have applied to come to the U.S. than visa versa due, perhaps, to bureaucratic problems resulting from the extensive reorganization of the Soviet

agricultural bureaucracy. Whatever the cause, the imbalance in visits has created some tension. A visit by a team of Soviet specialists to the U.S. under the Young Agricultural Exchange Program took place, but a visit to the Soviet Union by a similar American team was cancelled when the Soviet authorities refused to change the venue of the visit away from an area only several hundred kilometers distant from Chernobyl. Visiting U.S. teams have, in general, been satisfied with their access to the Soviet officials and information promised in their programs. As with other areas of dealing with the Soviets, however, efforts to arrange visits and contacts outside of the agreement have often proved frustrating, difficult and time-consuming.

### Romania

General Assessment. Business conditions worsened as a result of a Romanian decree, introduced in December 1985, which considerably tightened access to Romanian plants for foreign businessmen. Romanian foreign trade policy, based on enlarging the trade surplus to build up foreign exchange reserves and retire foreign debt, limits hard currency imports and generally requires Western firms concluding sales contracts with Romania to accept payment in counter-purchase of Romanian goods.

The government of Romania continued to stress the need to obtain advanced technology from abroad. Greater emphasis on scientific and technological exchange continued to be at the expense of exchanges in other areas, primarily the humanities. There are no known cooperative efforts by Romania in environmental protection.

Business Working Conditions. While U.S. Government officials and businessmen continue to have good access to Romanian Government officials concerned with U.S.-Romanian trade and economic relations, in early 1986, the Romanian Government began tightening considerably access of foreign businessmen to plants and projects. Access to protocol rooms of such facilities remains possible, but production lines can be visited only with express approval of respective ministries or Foreign Trade Organizations (FTO's). Western companies' experience since the new regulations were promulgated indicates this permission is denied in most cases. Romania has already lost potential sales of its goods to a number of American firms -- reportedly worth \$50 million -- as a result.

During the review period, one U.S. firm closed its Bucharest office due to prohibitive operating costs. Authorities continue to take six to eight months or longer to process Western firms' applications to open business offices. Commercial office space in one of the several downtown hotels

in Bucharest is commonly offered to Western firms. Firms may also rent space on premises owned by the Romanian government agency "Argus". Romanian employees of foreign business must be hired through "Argus". The cost of maintaining business offices in Romania is high. Rents charged by official Romanian agencies are comparable to market rates in major world commercial centers. The extremely high cost of telecommunications services is also an impediment to the development of commercial relations.

Acceptable hotel accommodations are available for transient businessmen, but at rates matching those in major commercial centers. As of July 1, hotel rates increased 13.6 to 25 percent. Resident businessmen are referred to the national tourist office to locate housing. The search for adequate housing is difficult and time-consuming. Prices for residential space are comparable to those in Western Europe, though furnishing and facilities are often inferior. Rental and utility charges have remained constant over the past few years.

Visa restrictions are minimal and business travel is not impeded.

Availability of Economic and Commercial Information. Businessman seeking Romanian commercial contacts find information readily available. Romania continues to distribute, in several languages, a range of information on doing business in the country. Romanian statistical data, however, are very poor, and are noteworthy for their omission of basic statistical information common elsewhere. Organized data on the performance of the domestic economy are published only once a year, generally twelve to fourteen months after the close of the year covered. Data often are not comparable from year to year, and indices are neither reliable nor adequately defined. As a result of debt rescheduling negotiations, Romania continues to provide more financial information to foreign banks, foreign governments, and international financial institutions than it provided in the past.

Policies Concerning Economic and Commercial Cooperation. The Romanian Government promotes the concept of joint ventures and production collaboration. There are presently five U.S.-Romanian joint ventures, of which one operates in Romania and four in the U.S. Romania remains interested in cooperation with American firms in third country markets, particularly in the development of natural resources and large construction projects.

Official Visits. There were no high-level U.S. Government trade visits to Romania during the reporting period. An interim Joint American-Romanian Economic Commission (JEC) session was held in Washington, D.C., April 7-8. Major issues

covered included efforts to increase bilateral trade, protection of patents in Romania and the U.S., business facilitation in Romania, and exchanges of information and statistics. Both sides agreed to continue discussions on improving bilateral trade.

The last full JEC session was held in Washington in December 1984. The next full session of the JEC is scheduled for March 1987 in Bucharest and will be co-chaired by the Romanian Minister of Foreign Trade and the U.S. Under Secretary of Commerce for International Trade.

Policies Toward Countertrade Arrangements. Romania employs a strict system of countertrade aimed at reducing its foreign debt. Romanian purchases of Western goods without countertrade have continued to decline significantly. Romanian enterprises routinely ask Western firms seeking to sell goods in Romania to take 100 percent payment in counter-purchases of Romanian-manufactured goods from the machine building and machine tools industry. In those few cases where U.S. firms buying Romanian goods have sought to pay through "barter" arrangements of their own products, Romanian organizations have refused, insisting on hard currency payment.

Policies Affecting Small and Medium-Sized Enterprises. Romania trades regularly with small and medium-sized U.S. firms. Such companies are often represented in Bucharest by agency firms, which helps reduce the cost of establishing representation. Agency firms are also better able to deal with Romanian pressures for counter-purchase, which might otherwise force smaller firms out of the market.

Development of Forms and Methods of Cooperation in the Fields of Science, Technology and Environment. The governments of the United States and Romania signed an agreement of scientific and technological cooperation in 1979, providing for exchange visits by scientists, joint scientific projects, and exchange of information. There has not been a heavy volume of activity under this agreement, and, over the course of 1986, exchange visits have occurred at only half the rate for 1985. Arrangements for exchange visits and information in some fields under the agreement have never been implemented. In one field, cancer research, the U.S. has notified the Romanian Government of its intention to terminate an agreement for scientific exchanges because of lack of activity.

In addition to this low level of activity under the scientific and technological cooperation agreement, the U.S. and Romania have also maintained informal, ad hoc scientific contacts. In the wake of the Chernobyl accident, for instance, a group of U.S. radiation monitoring scientists visited Romania to consult with their Romanian counterparts.

Commercial, scientific and technical exchanges are inhibited by the patent system in Romania, which does not allow for the granting of patents for chemical compounds to privately-held corporations. Additionally, factors in the Romanian business climate, which are discussed elsewhere, inhibit commercial channels for cooperation in science and technology.

## Poland

General Assessment. During the past six months, economic relations between Poland and several Western countries have improved. Economic mixed commissions between Poland and several Western governments have met, and some additional Western governments have offered Poland short-term credit guarantees in modest amounts, although arrears on Poland's official obligations have placed some of these offers in abeyance.

In a major move to permit foreign investment, the Polish Parliament in May passed a joint venture law. Although no joint ventures have yet been established, discussions aimed at establishing joint ventures have taken place between foreign firms and their Polish counterparts. However, difficult internal Polish economic conditions continue to restrain Western commercial interest in Poland.

In June 1986, Poland formally re-joined the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (World Bank). The Polish Government has on several occasions rescheduled maturities due Western governments and initialed an agreement to reschedule due in 1986. The Polish Government has also rescheduled maturities due Western banks in 1986-87. With these reschedulings and admissions to the IMF and World Bank, Poland could eventually improve its credit reputation, but it is not likely that significant levels of new medium and long-term foreign credits will be available from the West for some time.

Poland's difficult debt servicing outlook will limit Western business interest for at least the near term. There has been full cooperation in permitting travel of U.S. business, commercial and agricultural representatives to Poland. After a brief interruption in the wake of the Chernobyl accident, business travel has resumed its normal pattern and level.

Business Operating Conditions. Access to Polish business contacts and commercial officials remains easy, with both private U.S. business representatives and U.S. government officials able to arrange meetings directly with their counterparts, without brokering by protocol or foreign

relations departments of the Polish organization. Factory visits are more difficult to arrange, depending on the sensitivity of the installation.

No new companies opened branch offices during the reporting period, but the Tandy Corporation opened a "Radio Shack"-type electronics store in downtown Warsaw. The outlet, run jointly with the hard currency chain "Pewex", stocks video games, VCRs, and other low technology items. Polish policy towards Western offices remains largely unchanged, with a few companies still experiencing technical difficulty in maintaining information offices (as opposed to branch offices, which are required to pay a higher registration fee as well as 2.5 percent of invoiced sales to the Polish Government).

U.S. owners continue to operate "Polonia" businesses with varying degrees of success, depending on their rates of income taxation. The overall number of firms, about 700, has held steady, with 10 percent owned by U.S. citizens.

Hotel accommodations for visiting business representatives remain readily available, although at fixed rates five times higher than for Polish citizens. Permanent housing is generally available, but expensive. There are no restrictions on business travel within Poland, and business visas are not difficult to obtain. Air service to and from Poland is adequate.

Availability of Economic and Commercial Information. The Polish government publishes regular economic statistics. Most of the disaggregated data are not current and do not contain enough detail to permit thorough economic analysis or adequate market research. Poland will now begin providing economic data based on UN standards following its recent re-admission to the IMF.

Policies Concerning Economic and Commercial Cooperation. Poland continues to seek foreign investment in underutilized or idle industrial capacity, and the passage of a joint venture bill to attract foreign investors indicates an additional emphasis on this goal. The new law governing the formation of joint ventures on Polish territory went into effect on July 15. The legislation provides that Polish capital participation must be at least 51 percent although exceptions, in certain instances, are permitted. Licensing arrangements remain possible, as is joint production in and for third markets, in goods and especially in services. There have been no new major cooperative arrangements involving U.S. firms during the reporting period, although several smaller cooperation agreements have been signed.

Official Visits. There were no official visits during the reporting period.



Policies Toward Countertrade Arrangements. The Polish Government officially neither encourages nor discourages countertrade, though several U.S. firms have been pressured to countertrade by individual foreign trade organizations. The frequency and nature of these countertrade requests vary, and generally are possible only in products of which Poland possesses an oversupply.

Polices Affecting Small and Medium-Sized Enterprises. Small and medium-sized enterprises have not experienced any particular problems during the reporting period, with the exception of certain firms operating under the "Polonian" law. The Polish Government levies up to 85 percent income tax on earnings of these firms, thus making it difficult for many of them to operate profitably. Despite these obstacles, many Polonian firms continue to prosper, and their existence enjoys official backing when their operations help fulfill Polish government economic aims. Firms which would compete directly with a Polish enterprise or exporting agency are usually denied permission to operate. During the reporting period there has been no new legislation affecting these small and medium-sized enterprises' participation in trade and industrial opportunities.

Development of Forms and Methods of Cooperation in the Fields of Science, Technology and the Environment. The Polish government seems to have stopped any interference with visits by U.S. scientists to Poland. Visas for such visits seem to be granted without delay. During 1986, Polish institutions issued invitations to dozens of U.S. scientists to participate in scientific conferences and meetings organized by the Polish Academy of Sciences and other science-related institutions. The invitations usually include a subsistence allowance to cover expenses in Poland. During the summer of 1986, scientists affiliated with the University of Texas were able to work with their counterparts in Krakow without any interference. In addition, 45 physicians have freely attended a series of medical seminars and conferences held at the Childrens's Hospital in Krakow in August and September 1986.

Polish scientists who have received invitations from U.S. colleagues and universities and from the NIH are receiving their Polish passports without significant interference. This is a definite improvement over the situation last year when approval to accept such invitations was not always forthcoming.

The Polish Ministry of Environmental Protection and Natural Resources (MOSZN) has responded favorably to a proposal from the EPA to initiate a dialogue which may eventually lead to a memorandum of understanding between the two agencies for cooperation in environmental research and development. The MOSZN has been a willing and active participant in ECE efforts

to combat air and water pollution. MOSZN's chief represented Poland at President Mitterrand's Silva Conference last year. The Ministry is engaged in intense discussions with the Austrian, Swedish, West German, Czechoslovak and East German ministries of environmental protection.

Problems of pollution are discussed openly; an environmental protection movement has been allowed to develop and its leaders are enlisted in official efforts to arrest pollution. In Krakow, a heavily polluted city and one designated by the UN as having special cultural and artistic worth, environmental groups have been allowed to exist openly and at least one of these is developing contacts with similar groups in the West. Additionally, the press is becoming more vocal about environmental abuses.

The Ministry of Health (MZOS) has expressed its willingness to intensify cooperation with U.S. counterpart agencies in health sciences. It approves and finances visits of Polish medical scientists and clinicians to congresses in their disciplines all over the world. For example, about 50 Polish cardiologists were allowed to participate in the September 1986 World Congress of Cardiology in Washington, D.C. U.S. health scientists are welcomed warmly; Polish government institutions issue invitations for individual visits and finance their subsistence in Poland.

### Hungary

General Assessment. While general implementation of Basket II provisions remain unchanged, there are several economic factors which could affect future compliance. Hungary continues to borrow heavily in short and medium term markets, reflecting difficulties with its hard currency earnings. External factors such as the continued drought, the Chernobyl accident, and the see-saw petroleum market have all added to lost earnings. The prospects for improved markets and prices for agricultural products, metals, and light industrial exports continue to be discouraging. The economic climate has also been worsened by the Hungarian Government's inability to deal with economic and reform issues decisively. The need to stem the economic current account deficit before it drains exchange reserves is likely to lead to new economic austerity measures before year's end.

A corporate bankruptcy law and stricter worker discipline measures introduced in mid-1986, as well as greater emphasis on unemployment benefits, point to the likelihood of more management independence in the future, although there is a concern about the level of unemployment benefits in the implementation of the bankruptcy law. A side effect of

increased prices resulting from austerity measures could well be further popular distrust of the government and its policies, although this continues to remain nothing more than louder grumbling.

Business Operating Conditions. Working conditions for Western businessmen remained satisfactory during the reporting period. Business access remains generally good and access to end-users is not a problem. The number of enterprises with foreign trading rights has now grown to approximately 300 and development of contacts within these enterprises occurs without governmental interference. Opening of representational offices requires compliance with formal procedures which are lengthy and often bureaucratic. Nevertheless, applications for such offices are often encouraged and recently an application submitted by a U.S. subsidiary of a British software marketing company was approved. Hiring of local personnel in Hungary to represent Western business interest has recently been liberalized, although the scope of activities which these representatives can perform remains limited.

Deluxe and first-class hotel accommodations for business travelers, as well as for convention and tourist purposes, are quite good and reasonably priced. Most first-class hotels also offer business services including typing and translation. The availability of medium-level, medium-priced hotel accommodations is also good and continues to expand. Office space available to western firms is expected to increase with the implementation of plans to construct a second office building along the lines of the Budapest International Trade Center which opened last year.

No restrictions are placed on legitimate business travel and business visas can be obtained without difficulty at airports and border crossings without difficulty. Businessmen, however, continue to be hampered by the need to work through a Hungarian government "facilitative" office which remains highly bureaucratic and ineffective. Costs of operations remain high in comparison to Austrian and local standards; delays continue to plague requests for telephone and telex services, both of which remain below Western standards.

Availability of Economic and Commercial Information. Business and commercial information, while only sporadically available in forms such as Western-style annual reports, is disseminated fairly freely in newspapers, journals and specialized economic publications. Enterprise and plant visits continue to provide detailed information since Hungarian commercial representatives and managers have shown a disposition to discuss matters freely when specific questions are posed. Government economic indicators and other data are widely available and reasonably accurate.

Policies Concerning Economic and Commercial Cooperation.

The number of active cooperation arrangements between U.S. and Hungarian firms remains about sixty. Western companies are encouraged to explore new ways of doing business beyond traditional buying and selling and one-time-only commission work. Industrial cooperation arrangements continue to be touted as the basis for Hungary's trade expansion program. The Hungarian government has increased its commitment to promote joint ventures by issuing an amended joint venture law in January 1986, which provided greater tax incentives and more flexible operating rules. The law reduced profit tax on joint ventures and for the first time codified the prior practice of providing tax holidays for new joint companies. The number of joint ventures registered in Hungary doubled between 1983 and 1985, and now stands at more than fifty. Given the new joint venture law, this number is expected to grow further, particularly in the industrial sectors designated for expansion.

Official Visits. Minister of Industry Laszlo Kapolyi's September visit to the U.S. was the high point of the U.S.-Hungarian commercial relationship. The minister's visit included meetings with Vice President Bush and leading industrialists.

Policies Toward Countertrade Arrangements. Hungarian enterprises continue to require substantial countertrade arrangements for almost all new business, although banking and official Hungarian sources downplay countertrade arrangements as true business enhancers. Movement toward a convertible forint is still the government's official policy, but adverse economic conditions make it unlikely in the foreseeable future.

Policies Affecting Small and Medium-Sized Enterprises. Official Hungarian policies toward small and medium-sized enterprises do not differ significantly from the general pattern of commerce described above. The preference of Hungarian enterprises, however, continues to be toward working with large multinationals which can provide opportunities for cooperation in production and marketing.

Development of Forms and Methods of Cooperation in the Fields of Science, Technology, and the Environment. The exchange of publications in respective science and technology activities between U.S. and counterpart Hungarian agencies is on the increase. For example, NASA officials visited Hungary in February 1986 and U.S. astronauts will participate in a congress to be held by the Association of Space Explorers in Budapest in October 1986.

Domestic dissemination of scientific and technical information has expanded substantially. Hungary, on a monthly basis, under license with Scientific American in 1985

inaugurated the publication of "Tudomány" (Science), which essentially is a Hungarian-language reprint of articles from the American publication.

Hungary hosted the 14th International Cancer Congress in August which was attended by more than 8,000 delegates from 84 countries, including 1,200 scientists, physicians, clinicians, and cancer researchers from the U.S. This was one of 18 international medical conferences to be hosted by Hungary in 1986.

The U.S.-Hungarian Exchanges Agreement on cultural, educational, and scientific-technological cooperation was renewed in January 1986.

The Hungarian government attaches a high priority to the environment under its current five-year plan. Reducing air pollution, improving the quality of water, and the safe disposal of hazardous wastes are the target areas. The Hungarian government in 1975 created the National Authority for Environmental Protection and Nature Conservation, and in 1986 approved legislation assigning ministerial responsibilities in the above sectors to set lower levels for pollution and to assess fines. The Government of Hungary participates in international conferences on environmental affairs and is currently considering the possibility of adhering to the International Convention on the Protection of the Ozone Layer.

#### German Democratic Republic

General Assessment. There has been no significant change over the past six months in the G.D.R.'s cooperation in implementing provisions of Basket II.

Business Working Conditions. American businessmen's access to GDR trade officials and enterprise managers has improved slightly in 1986, although there is still considerable room for more improvement. The GDR often requires that its citizens obtain prior approval for contacts with Western businessmen. The requirement that foreign businesses deal through GDR foreign trade service organizations also limits access to managers at the enterprise level.

Operating conditions for establishing business offices in East Berlin remained unchanged. Five U.S. companies have offices there; three are staffed by GDR citizens, one by a West German national, and one by a Swiss national. Western firms wishing to establish an office in East Berlin are required to rent space either in the International Trade Center, which has strict access control, or in a building which is only for the use of the firm.

Visiting business representatives must normally stay in expensive hotel accommodations which require payment in convertible currencies. In cities without such hotels, accommodations are less expensive and payment may be made with GDR marks. Subject to these conditions, however, travel is otherwise virtually unrestricted. No U.S. business representatives have complained about unavailability of hotel accommodations.

Resident business representatives are allowed to rent, but not buy, housing in the GDR. Available housing is usually expensive and standards vary, although some is quite good. All housing services must be obtained through a state-operated agency which determines the rent as well as the location of housing for foreigners.

The U.S. Embassy in Berlin is not aware of any problems caused by restrictions on travel and visas for foreign business representatives. Persons in possession of GDR hotel vouchers are generally issued visas upon arrival at border-crossing points. In addition, visas for day visits to East Berlin are obtainable at designated Berlin sector-sector crossing points with little delay. Western business representatives residing in, or maintaining offices in, the GDR are often issued multiple-entry visas valid for one year. Non-resident business representatives generally receive one-entry visas unless multiple-entry visas have been requested on their behalf by a GDR trading partner.

As is the case for virtually all visitors to the GDR, non-resident foreign business representatives are required to exchange approximately \$12.50 per day into GDR marks during their visits. Of this sum, any unspent marks cannot be converted back into Western currency upon departure, but must be either forfeited or deposited in a special account for use upon the visitor's return.

GDR customs regulations prohibit the importation of printed material with the word "German" in the text or in the address. This has continued to create certain problems when business literature containing this word arrives and cannot be distributed.

Availability of Economic and Commercial Information. The type, quality and timeliness of economic and commercial information released by the GDR remains unsatisfactory to Western business. The main source of GDR economic data is the annual statistical yearbook published by the Central State Administration for Statistics. The yearbook is not published on a timely basis, appearing about 10 months after year's end. The small portion of the report devoted to foreign trade usually lumps export and import figures together in one

number. Thus the user normally knows only the total amount of trade between two countries, not how much the GDR purchased or how much it sold. Furthermore, Western business representatives and economists often question the reliability of the figures given.

There has been no improvement in the GDR Foreign Trade Bank's annual report, which offers only highly aggregated information on the hard currency value of GDR imports and exports, and provides no specifics on GDR foreign debt. In general, it does not serve the needs of banks and firms seeking to evaluate potential business relationships. Moreover, the GDR does not provide information on total balance of payments, aggregate net and gross foreign debt, cash flow projections and statements of sources and uses of funds.

Policies Concerning Economic and Commercial Cooperation Arrangements. Joint ventures, in the sense of joint membership within the GDR and foreign ownership of business undertakings are not permitted under GDR law. Although the GDR has entered into a few cooperative production agreements with Western firms, it has shown less interest in developing these cooperative ventures than most other Eastern countries.

Official Visits. There were no significant visits during the reporting period.

Policies Toward Countertrade Arrangements. Often the GDR will purchase goods from abroad only on the condition that it will pay for at least part of the imported goods with GDR goods rather than with hard currency. Also, cooperation agreements for production within the GDR are after coupled with countertrade or "buy-back" features. Aside from opposing countertrade as a matter of principle, most U.S. firms are also inhibited from such arrangements by difficulties in obtaining the quantity and quality of goods desired, limitations on what the GDR can or is willing to supply, and the unmarketability of some GDR products offered.

Policies Affecting Small and Medium-Sized Enterprises. In general, small and medium-sized enterprises are treated no differently from larger enterprises.

Cooperation in the Fields of Science, Technology, and Environment. The GDR continues to be extremely interested in sending scientists and technical experts to the United States for advanced training, but it has shown much less enthusiasm for promoting reciprocal exchanges. There are also few areas in which GDR science and technology is sufficiently advanced to make research in the GDR interesting to U.S. scientists.



Due to the GDR's increasing use of lignite as the primary source of energy, the GDR is the largest producer of sulfur dioxide in Europe. Despite recent approval of a \$60 million desulfurization facility at a small power plant in Berlin, the GDR has taken virtually no significant steps to improve air quality. Nor does there seem to be much hope for a change in the problem of air pollution given the GDR's concentration on economic growth at the expense of environmental quality. It seems unlikely that the GDR will satisfy its previous commitment to reduce sulfur dioxide emissions by thirty percent by 1990.

Preliminary steps have been taken to reduce water pollution. An important motive in this regard is the extremely low supply of fresh water per capita in the G.D.R. However, much further work can be done to remove phosphates from southern rivers and streams.

### Czechoslovakia

General Assessment. Czechoslovak cooperation with other CSCE signatories in the implementation of Basket II remains overwhelmingly focused on the Soviet Union and other member countries of the Council for Mutual Economic Cooperation (CEMA). About 80 percent of Czechoslovakia's foreign trade is conducted with CEMA countries, and the CEMA long-term program for scientific and technological development and various bilateral science and technology agreements will likely preoccupy a considerable portion of Czechoslovakia's applied science resources. However, Czechoslovakia has reached modest agreements with Austria, Poland and the Federal Republic of Germany on environmental cooperation.

The 8th Five-Year Plan (1986-90) calls for an acceleration of economic growth. It foresees a restructuring of the Czechoslovak economy away from high energy and raw material use and toward production which emphasizes technology and research-oriented production. Though emphasis on trade with the Soviet Union and CEMA countries will continue, imports from the West and other non-socialist countries are expected to increase -- by almost 16 percent in 1986 alone. This may signal a trend toward increasing trade with the West.

Czechoslovakia's strained political relations with the U.S. continued to have a negative effect on bilateral trade in the reporting period. In the first half of 1986, trade totalled \$73 million, down 3.4 percent from the first half of 1985. However, the U.S. and Czechoslovakia continued to conduct a significant amount of trade through Austria, West Germany, Switzerland and other western countries. Czechoslovak officials continued to raise with U.S. officials the issue of most-favored nation tariff status.

Contacts between foreign businessmen and their counterparts in this country remained under the control of the central authorities. Foreign businessmen often report difficulty in establishing contacts and locating accurate information about investment plans, hard currency, spending priorities and economic performance. Countertrade, commonly 25-40 percent or more of the value of the original sale, is a consistent and probably growing feature of western trade with Czechoslovakia.

Business Operating Conditions. While the number of American business offices did not change during this period, Pan American Airways resumed service to Prague for the first time since 1978 and is working to expand its modest presence. U.S. firms with representation in Prague appear to have adequate space, but one business has spent months trying to identify more appropriate office space without success. This experience appears to be typical for Western firms. There are no resident American businessmen in Czechoslovakia. Foreign businessmen in Prague appear to have suitable housing obtained through official channels or arranged privately.

Considering the shortage of tourist and visitor facilities in Prague and other major Czechoslovak cities, foreign businessmen report relatively few problems with hotel accommodations or other impediments to visits there.

Visas for foreign businessmen are generally not a problem and are rarely denied. The only exceptions usually involve individuals born in this country who were once recognized as Czechoslovak citizens, but who subsequently left. Some foreign businessmen complain that they cannot obtain multiple entry visas and must apply for a re-entry visa each time they plan to travel outside Czechoslovakia.

Availability of Economic and Commercial Information. Many foreign businessmen regard as inadequate the extent and timeliness of economic and commercial information available in Czechoslovakia. Monthly statistical reports provide little useful information and have limited utility for businessmen. Information in the foreign trade area is particularly insufficient for market research purposes, and many observers believe the data published by the Czechoslovak authorities are unreliable.

Policies Concerning Economic and Commercial Cooperation. Virtually all foreign trade must be conducted through one of a number of foreign trade organizations (FTOs), each of which enjoys a monopoly over both imports and exports for particular product lines. In addition, there are a number of foreign trade representation firms which handle local representation for Western companies. While there has been discussion about modifying this system of foreign trade monopolies -- and, in

fact, several domestic firms have received foreign trade privileges -- these changes remain more a potential than a reality.

In mid-1985, the Czechoslovak government made a decision to allow the formation of joint venture corporations with Western companies and the first joint venture agreement was signed in August 1986 with a Danish electronics firm. Czechoslovak officials claimed to have had discussions with as many as two dozen other Western companies about the possibility of forming joint ventures and, while both the Czechoslovak authorities and representatives of Western companies remain cautious, it appears likely that at least one or two more joint ventures will be formed within the next 12-18 months. These joint ventures will be formed within the framework of existing laws, although officials have indicated that a new joint venture law will be introduced after an initial trial period has been completed.

In the context of its efforts to modernize and speed economic development, Czechoslovakia expects to increase the purchases of Western technology via licenses. A fairly large number of license production agreements exist, including two fairly recent ones with U.S. firms for refining oil and manufacturing color television tubes. At least one U.S. drug manufacturer has a co-production arrangement in this country, and a few U.S. construction engineering firms have contracts with Czechoslovak firms -- for the supply of generator turbines and other heavy machinery, for example.

Official Visits. During the reporting period, several technical-level economic and trade meetings took place. In May, the Executive Committee of the U.S.-Czechoslovak Economic Council met in Prague, and U.S. members met senior officials at the Ministry of Foreign Trade and the Czechoslovak Chamber of Commerce. In June, trade negotiators from both countries met in Geneva to negotiate an agreement on textile imports to the U.S. Later that month, aviation officials of both countries met for consultations on the 1969 bilateral Air Transport Agreement and agreed to begin negotiations in October regarding modifications to that agreement.

During her April 1986 visit to Czechoslovakia, Assistant Secretary of State Ridgway proposed formation of a bilateral working group to facilitate development of business and economic ties, in tandem with a similar working group on humanitarian issues. As of late September, Czechoslovakia had yet to respond to these proposals.

Policies Toward Countertrade Arrangements. Czechoslovakia appears to have no specific legislation concerning countertrade arrangements, but the demand for countertrade on Czechoslovak trade partners is consistent and widespread. Countertrade demands commonly run about 25 to 40 percent of the value of the original sale. Some businessmen report having been quoted a "new regulation" putting countertrade demands at 40 percent for their industries and also spelling out both the categories of goods and the FTOs from which the Western firm must purchase. U.S. and other Western firms report that the main problems with countertrade concern product quality and availability.

Development of Forms and Methods of Cooperation in the Fields of Science, Technology and the Environment. Czechoslovakia and the U.S. signed in April an agreement for exchanges in culture, education, science, technology and other fields. This agreement contains general provisions about exchanges and cooperation in science and technology which subsequent agreements between the U.S. implementing agencies and their Czechoslovak counterparts should spell out.

All bilateral science and technology cooperation takes place under the strict control of the Czechoslovak government, and most of it takes place in the context of agreements negotiated between such institutions as the Czechoslovak and the U.S. National Academies of Science. Private contacts, especially on the part of Americans in Czechoslovakia, are rare. However, the Academies of Science exchanges, which have been taking place for many years, provide for fruitful cooperation in a wide variety of fields. Further development of cooperation is foreseen under the exchanges agreement, as well.

## Bulgaria

General Assessment. Impeded by deteriorating trade balances with the West, a sharp drop in world oil prices that resulted in lower revenues derived from the re-export of refined petroleum products, and modest levels of capital investment, the Bulgarian economy grew at a slow pace during the first half of 1986. Despite slower growth, Bulgaria's trade with Western countries continued to grow, as Bulgaria sought western technology, capital goods, and services. Business conditions for Western businessmen remained difficult, and access to information was often limited. Countertrade pressures from the Bulgarian side increased, as hard currency for the acquisition of Western technology declined. Scientific exchanges with the West continued to grow.

Business Working Conditions. Although the bulk of Bulgaria's foreign trade is with the Soviet Union and other CEMA countries, Bulgaria has sought increased trade and

investment from the West for the technology and know-how needed to increase productivity. Western businessmen generally have ready access to authorized business contacts and trade officials. All foreign trade is channeled through foreign trade organizations. Over the past six months, a number of major reorganizations have been announced in the trade sector, but so far these changes have had no noticeable impact on the conduct of foreign trade. Visiting businessmen have reported no problems with respect to hotel accommodations nor restrictions on business travel.

Housing remains inadequate by Western standards. Due to the deteriorating economic situation exacerbated by an unresponsive bureaucracy, Bulgaria has become a more difficult assignment for resident businessmen. Visiting businessmen have to pay high hotel fees for decidedly average accommodations as the Bulgarian government seeks to bolster hard currency earnings.

Western airlines receive cramped space at Sofia airport but are required to pay fees similar to those charged at large, modern Western Airports.

Availability of Economic and Commercial Information. Bulgaria regularly publishes economic performance data and foreign trade figures. However, information is reported selectively and often in insufficient detail for meaningful economic analysis. For example, percentages are often given in lieu of raw data, and bases for comparisons are carefully selected to enhance the presentation of current figures. Officials are reluctant to share their opinions and are prone to hide negative information from Western businessmen.

Policies Concerning Economic and Commercial Cooperation. The Bulgarian government actively courts Western firms to establish joint venture projects in Bulgaria. Such arrangements would provide Bulgaria with modern equipment and technology, trained management, and western expertise with minimal hard currency outlay. Most U.S. businessmen complain that the Bulgarians provide only vague information on how hard-currency earnings will be repatriated. A Western business is likely to have more success and fewer problems in negotiating a licensing agreement with the Bulgarians.

Official Visits. Bulgaria receives, and prominently publicizes, a steady stream of official visitors and delegations in the trade and economic field. A majority of these visitors are from third world nations or the communist bloc. There were several exchanges of experts between Bulgaria and the U.S. during the first half of 1986 in connection with a bilateral program in the agricultural sector. These visits were not directly trade related but in a few instances led to subsequent commercial transactions.

Policies Toward Countertrade Agreements. Pressure for countertrade has continued as the Bulgarian government seeks to acquire new technologies with minimal hard currency expenditure. The Bulgarians have little to offer by way of countertrade, although Western businessmen will sometimes accept the often inferior merchandise as a way to establish a niche in the Bulgarian market. One Western businessman reported the requirement of accepting Bulgarian merchandise equaling 30 percent of the value of the Western import. After considerable difficulties in negotiating the "value" of the virtually unsaleable Bulgarian goods, his company simply disposed of the unwanted items in Bulgaria since the cost of transporting them abroad and finding markets for them would have exceeded their commercial value. The cost of accepting and disposing of the unwanted Bulgarian merchandise was built into the Western supplier's selling cost. As hard currency reserves deteriorate further and as Bulgarian government requirements for expensive Western technology increase, especially in priority sectors, even more countertrade demands are expected.

Policies Affecting Small and Medium-Sized Enterprises. In a reversal of previous policies, the Bulgarian government now officially recognizes the potentially valuable contributions of small and medium-sized enterprises, particularly in the service sector and in the production and merchandising of consumer goods. However, these enterprises have not fared well so far under the new policies. Some small enterprises have complained that they are effectively excluded from the central planning process and therefore encounter difficulties in dealing with large suppliers and buyers. However, it is still early to assess the impact, if any, of new policies and incentives intended to decentralize economic planning and management and to promote the growth of such enterprises.

Development of Forms and Methods of Cooperation in the Fields of Science, Technology, and the Environment. The intercourse between Bulgarian scientists and their counterparts abroad is carefully controlled. International cooperative efforts in science and technology, and in particular with the U.S. and other Western nations, have been allowed to expand somewhat in recent years. This increased cooperation stems from the government of Bulgaria's emphasis on integrating scientific and technological advances into the economy. In addition, increased scientific exchanges open avenues of access to high-tech systems, processes, and methods which are otherwise limited by Western export restrictions.

In the period under review, Bulgaria hosted numerous international scientific conferences, as well as funding (in part) exchange visits by Western scientists in a number of fields -- notably cancer research, mathematics, and

thermodynamics. Through joint research projects with Western counterparts, a number of Bulgarian scientists have made significant contributions in their fields. An exchange agreement between the U.S. National Academy of Sciences and its Bulgarian counterpart was augmented during the reporting period by 50 percent. In December, the Bulgarian Academy is set to sign an exchange agreement with the U.S. National Institutes of Health in the Field of Biomedical Research. Other agreements with the National Science Foundation and USDA are still in force and fully subscribed.

The controlling bodies of scientific and technical institutions are staffed by party officials who place concern of national prestige or state security ahead of purely scientific ones. Researchers who enjoy world-class reputations or receive funding from international organizations comprise a privileged class of scientists, while their less exalted colleagues must scramble for funding or permission to travel. Even if a middle-ranking researcher possesses the funds to pay his own way to an international congress, he may find it impossible to obtain the clearance to travel.

## Chapter Four

### Implementation of Basket III: Cooperation in Humanitarian and Other Fields

Basket III contains specific measures to foster human contacts, improve access to information, and promote cultural and educational exchanges. Basket III and Principle Seven of Basket I, strengthened by provisions of the Madrid Concluding Document, constitute the principal human rights provisions of the Helsinki process.

#### Human Contacts

In the Final Act, participating states commit themselves to facilitate family reunification and meetings, marriage between citizens of different states, and expansion of contacts and travel, especially in the areas of tourism, business, sports and among young people.

In addition, the Madrid Concluding Document contains a number of provisions that strengthen and extend the human contacts commitments in the Final Act. The participating states have pledged: to deal favorably with applications for family meetings, reunification, and marriage; to decide upon marriage and family reunification applications within 6 months; to ensure that rights of applicants for family reunification are not prejudiced; to provide necessary forms and information to applicants for emigration; to reduce emigration fees; to inform emigration applicants of decisions expeditiously; to assure access to diplomatic missions; and to facilitate contacts among representatives of religious faiths.

#### Family Visits

To some extent, the Helsinki process has led to freer travel policies in the East, but much remains to be done to achieve CSCE goals. In general, Eastern countries maintain a policy of limiting and controlling their citizens' movement abroad. It should be noted that the U.S.S.R. and other Warsaw Pact countries have ratified the UN Charter and other international documents on human rights, such as the International Covenant on Civil and Political Rights, in which the right to leave one's country and return thereto is enumerated. But in practice, the Soviet Union denies its citizens this right. Restrictive practices in the countries of Eastern Europe vary considerably.



Soviet Union. Permission for private visits to the U.S. continues to be granted selectively to Soviet citizens, usually to those who have close family members in the U.S. A typical visit to the United States by a Soviet family would exclude at least one family member. The few Soviet citizens allowed to make multiple trips to the U.S. may do so only at two or three year intervals. Our information on Soviet families denied exit permission for visits is extremely limited: Soviets without foreign travel passports are denied entry to the U.S. Embassy in Moscow by Soviet guards and it is difficult for them to communicate with the embassy by mail or telephone as well. The embassy continues to receive complaints that Soviet citizens with close relatives in the U.S. are denied permission to travel for family visitation, even in medical emergencies. The U.S. Embassy in Moscow issued approximately 1050 visas to Soviet citizens for private visits to the United States during the reporting period.

Soviet authorities often arbitrarily refuse visas to U.S. citizens seeking to visit relatives in the USSR. During the period covered by this report, at least five Americans were denied the opportunity to visit their Soviet spouses and fiances. Several binational marriages were blocked during the last six months by Soviet visa refusal. Naturalized U.S. citizens who were born in the Soviet Union find it particularly difficult to obtain visas. For those who had exit permission for Israel and then settled in the U.S., Soviet permission to return for a family visit is seldom granted.

Romania. The Romanian Government issued an increased number of exit permits for visits to family members in the U.S. during this reporting period. Visits by American relatives to family in Romania are generally encouraged, although former Romanian citizens have encountered difficulties. The U.S. Embassy in Bucharest issued roughly 1575 visas to Romanian citizens for visits to relatives in the United States in the reporting period, about the same number issued for the same period last year.

Opportunities for travel abroad for most Romanians remain strictly limited, with passport issuance procedures arbitrary, unpredictable and expensive, and only those persons approved by the party-controlled "Worker's Committees" are allowed tourist passports. Those who receive tourist passports often do so only after months or years of waiting. Rarely are entire families issued passports at the same time for a visit abroad; usually at least one member of the immediate family must remain behind. Those Romanians who leave on tourist passports but remain permanently abroad typically must wait years before their families are allowed to join them. Family members left behind often endure considerable pressure to divorce or renounce those who have left, and are harassed if they refuse.

Americans generally encounter few problems in obtaining visas to visit relatives in Romania, unless they themselves are former Romanians who left the country illegally or are considered "undesirable" for other reasons. Most Americans arrive at Romanian frontiers without visas and receive entry permission on the spot. Immediate relatives of Romanian citizens are exempt from the normal requirements to stay at government-run facilities and to purchase \$10 of local currency for every day of the anticipated stay. There have been several incidents during the reporting period, however, when Americans were not granted this exemption. The law on this point states only that persons of "Romanian origin" are exempted, and at times this has been interpreted to exclude persons of Hungarian background or Jewish religion. Occasionally problems arise for persons of Romanian ethnic origin as well.

In addition to these currency exchange problems, U.S. citizen travelers arriving at Romanian entry points sometimes find themselves refused entry and turned away without explanation, despite possession of valid visas issued by a Romanian Embassy. When such cases occur at Bucharest's international airport, persons excluded often experience hours of detention until a departing flight can be arranged. During that time, sometimes overnight, such persons are denied consular access and are held in unsanitary and uncomfortable conditions. The U.S. Embassy in Bucharest is aware of six such cases during the current reporting period, though there were probably others that went unreported.

Poland. The Polish Government has a relatively liberal passport issuance policy and most people who apply for passports eventually obtain them. Polish tourists applying for a passport must present a letter of invitation signed by a relative or friend abroad and notarized by a Polish Consulate. This letter of invitation is considered valid for six months from the date of notarization. Trained professionals such as engineers, doctors, and skilled artisans are considered essential personnel and sometimes cannot obtain passports for personal travel.

The U.S. Embassy in Warsaw and its constituent posts issued approximately 32,500 visas to Polish citizens for family visits during the reporting period. They estimate that the Polish Government issued about 43,00 exit permits during the same period for travel to the U.S. The Embassy knows of no restrictions or significant difficulties experienced by Americans visiting their relatives in Poland.

Hungary. Hungarian citizens enjoy a relatively liberal travel policy which allows them, by law, to visit the West at least once each year if financial support is available.

Hungarians can purchase hard currency for four family visits every three years. The length of exit permission is limited by the the amount of leave time authorized by the place of employment; permission is usually issued in increments of 30 days, with 30 to 90 days being the most common. The U.S. Embassy in Budapest issued 4,808 visas to Hungarian citizens for family visits to the United States during the reporting period, a number slightly lower than that for April-September, 1985. Many exit permits are denied, usually for those who have traveled in the previous year, those who cannot prove financial support for their visit, draft-age men whose service requirement is due to start within six months, and relatives of those who left Hungary illegally.

Visas are seldom denied to Americans for family visits to Hungary. The Foreign Ministry never supplies reasons for the five to six such refusals annually of which the Embassy is aware. Most cases involve people prominent in the 1956 uprising.

German Democratic Republic. The GDR continues to limit severely travel by its citizens to the West for family visits unless the applicant is retired. Although the GDR has not formally expanded its narrow criteria for approving family visitation travel, since early 1986 GDR officials have displayed greater laxity and liberality when considering applications to travel to visit relatives in the FRG. A record 107,000 such visits occurred in the first seven months of 1986, a 180 percent increase over the same period in 1985. In all cases, the applicant wishing to travel in the West must provide documentation confirming both the relationship with the person abroad and the purpose of travel.

The GDR's eased travel restrictions also seem to apply to travel to the United States. During this reporting period, the U.S. Embassy in Berlin issued 1,104 visas for family visits (including 384 to non-pensioners), almost double the figure for the same period last year.

The total number of applications submitted and denied is not publicly available, but there are many cases of applicants who are refused permission to travel. GDR citizens in positions deemed "sensitive" by their government may not be visited by or even maintain contact with close relatives who live in the West. Emigrants from the GDR must generally wait five years before they can return to the GDR to visit relatives.

Czechoslovakia. Travel of Czechoslovak citizens to the West continues to be severely restricted. The number of visas issued by the U.S. Embassy in Prague for visits to family members in the U.S. was 3,245 for the reporting period. This

represents an increase of 22 percent over the same period a year ago. The majority of Czechoslovak citizens who are allowed to travel to the U.S. to visit relatives are retired and elderly. Persons in the work force are not normally allowed to travel abroad with all members of their immediate family.

Most U.S. citizens obtain visas to visit Czechoslovakia without difficulty, often in one day. However, many U.S. citizens of Czechoslovak origin continue to be refused visas with no explanation given, sometimes after having received several visas in the past. The embassy has made representations to the host government on behalf of thirteen such citizens during this reporting period.

Bulgaria. The record of the Bulgarian Government in allowing Bulgarian citizens to visit relatives in the U.S. historically has been poor. The process for obtaining passports and exit visas is very bureaucratic, slow, and sometimes arbitrary. The authorities may deny passports and exit visa applications without explanation, and in some instances, have even refused to receive application forms.

During the reporting period, however, the Bulgarian Government appears to have relaxed somewhat its restrictions on travel to visit relatives abroad. The U.S. Embassy in Sofia issued approximately 260 non-immigrant visas for family visitation during the April-September 1986 period, and the Bulgarian authorities permitted an increased number to visit family members in the U.S. without the U.S. Embassy having to intervene on their behalf. Government-imposed restrictions on access to the embassy by Bulgarian nationals, however, prevents the embassy from estimating reliably how many additional Bulgarians may have sought unsuccessfully to obtain exit permission to visit family members in the United States.

The Department of State received a small, but steady stream of complaints during the period from Americans of Bulgarian origin who had been denied visas to visit family members in Bulgaria.

### Family Reunification

Because of its restrictive definition of family reunification, bureaucratic roadblocks for intending emigrants, and generally arbitrary practices, Soviet performance in the family reunification area is unsatisfactory. Some of the states in Eastern Europe are as restrictive as the Soviet Union, while others pose fewer obstacles to allowing their citizens to emigrate to join family members abroad.

The U.S. Government regularly intercedes with Eastern governments on behalf of relatives of American citizens who have been refused permission to emigrate to the United States to join their families. The accompanying table shows the number of such cases being monitored officially by the United States as of October 1, 1986.

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Divided Family Cases

	Nuclear Families		Non-Nuclear Families	
	<u>Cases</u>	<u>Individuals</u>	<u>Cases</u>	<u>Individuals</u>
Soviet Union	95	217	23	114
Romania	86	122	718	1597
Poland	57	117	189	573
Hungary	0	0	0	0
G.D.R.	0	0	8	17
Czechoslovakia	4	5	1	4
Bulgaria	7	13	3	3

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Soviet Union. International attention focused on the issue of family reunification during and immediately after the Bern human contacts meeting in the spring of 1986. Between November 1985 and June 1986, the Soviets promised to resolve over 90 family reunification cases from U.S. representation lists. This was the first time in the 20-odd year history of the representation list that so many cases had been offered as "resolved" by the Soviets at any one time. At the end of the reporting period, in only about half of these cases had exit documentation actually been issued. Despite assurances through diplomatic channels in December 1985 and January 1986 that several dual citizenship and a larger number of family reunification cases would be resolved, the individuals involved still face bureaucratic hurdles to their emigration. In one family's case, local visa authorities have since January required a seemingly endless series of hard-to-obtain official records. In several other cases, Soviet citizens were pressured by local authorities into undertaking the time-consuming (3 to 6 months or longer) and expensive process of renouncing their citizenship.

Only immediate family members receive exit permission to emigrate. The same narrow criteria are applied to dual nationals, whose second, U.S. nationality is not recognized by the Soviets. Soviet officials continued to use the reason that

an applicant had more relatives (including in-laws) in the Soviet Union than in the U.S. to deny emigration applications. A Soviet law restricting emigration for those deemed to have had access to "state secrets" continues to be used in a broad and arbitrary way. In one case, a Soviet Jew who had been previously refused emigration to Israel 12 times with no mention of access to "state secrets" was told after her second unsuccessful application for permission to join her American citizen husband that she had had access to "secrets." In the past several years, a number of applicants were refused exit permission on the grounds of the "difficult state of international relations" or on the grounds that their emigration was "undesirable" or "unfeasible."

During the reporting period, persons who received exit permission to emigrate to the United States reported that the process took from one month to several years. On the average, however, Soviet authorities responded either positively or negatively to applications for exit permission within two to four months.

Previously, the U.S. Embassy in Moscow noted an increase in reported incidents of Soviet citizens in Armenia being required to sign pledges not to invite relatives for permanent residence in the U.S. before receiving Soviet external travel passports. The embassy believes this practice continues. Another tactic that has come to our attention is the strong pressure brought to bear on some applicants (for instance, brothers or sisters of U.S. citizens or permanent residents) to renounce Soviet citizenship before being permitted to reside abroad. While this procedure has been used for years for Soviet Jews and occasionally for prominent dissidents who are allowed to leave the USSR, these are the first cases involving other nationalities. Soviet officials have maintained that local emigration officials have no legal basis upon which to do this and have denied that it is taking place.

Persons applying for Soviet exit permission continue to experience reprisals in the form of loss of employment, demotions or harassment by employers or the police. During the reporting period there were more than half a dozen incidents in which Soviet citizens desiring to emigrate -- most of whose situations were well known to U.S. Embassy officers -- were questioned or told they had no business at the embassy by the embassy's Soviet guards. These individuals required an American officer escort to enter the chancery. In several cases, Soviets were prevented from entering the embassy altogether.

From April 1 through September 19, 1986, 56 Soviet nationals received U.S. immigrant visas for family reunification. In addition, 117 Soviet citizens with first degree relatives in the United States were processed under the accelerated third country processing program for refugees.

It is difficult to estimate the number of Soviet citizens who are refused exit permission. Previous inquiries indicate that roughly 1,000 families are interested in emigrating from the Soviet Union to the United States. Undoubtedly the actual figure is much higher because many individuals either feel it is hopeless in the current climate to plan to emigrate, or are afraid to contact the embassy for fear of harassment.

Romania. Romania's performance on family reunification was unchanged since the last reporting period. A large number of family reunification cases brought to the Romanian Government's attention by the U.S. Embassy in Bucharest are still unresolved. The average waiting period from initial application for emigration to final approval continues to be well in excess of the six months envisaged in the Madrid Concluding Document. The embassy estimates that one to one and a half years are required in the average case.

The Romanian Government officially opposes emigration, but allows a substantial number of departures under the rubric of family reunification. It continues, however, to hinder even these persons in order to discourage overall interest in emigration. It allows relatively large numbers of ethnic Germans to emigrate to West Germany, and of Romanian Jews to Israel.

Roughly 702 Romanians qualifying for entry into the United States made application for U.S. entry documents in order to be reunited with their families there. This figure compares with 695 such applications in the previous six month period. The U.S. Embassy in Bucharest issued approximately 185 immigrant visas, seven humanitarian paroles, and 381 visas to relatives of refugees and asylees in the United States between April 1 and October 1, 1986. Additionally, approximately 321 persons were issued third country processing refugee (TCP) documents during the same period, about 100 of which were for family reunification.

The U.S. and Romanian Governments last year agreed to new procedures for processing persons seeking to emigrate to the United States. These procedures have substantially reduced the hardships faced by Romanians allowed to emigrate to America, but reports of harassment, loss of jobs and certain social and economic benefits persist.

At the end of the reporting period, the U.S Embassy in Bucharest had 317 cases on its consolidated representation list. Additionally, some 800 pending TCP cases are for family reunification. Romanian authorities have been only partially responsive to the embassy's representation lists. Of the 519 cases on our embassy's April 1986 representation list, 264 remain unresolved.

The cost of Romanian exit documents is high in relation to the Romanian worker's average monthly income. A Romanian citizen who has obtained a stateless passport, renounced his citizenship and waited two months for departure (not an unusual situation), will have paid the equivalent of about \$500.

Poland. During the reporting period, 756 immigrant visas were issued by the U.S. Embassy in Warsaw for the purpose of family reunification. Additionally, the embassy issued travel documents to 451 spouses and children of asylees and refugees in the United States for family reunification.

While the precise impact of embassy representation is difficult to assess, it appears to be helpful in many divided family cases. Polish officials have resisted attempts by the embassy to represent individual cases and follow their progress through the Polish system. Increasingly, it seems that recent instances of family reunification have been the result of the relaxation of Polish Government policy on passport issuance rather than any consistent effort by the Polish authorities to unite families. Poland's high birthrate and declining economy will probably assure a liberal emigration policy in the future.

Hungary. Hungarian performance continues to be good. The U.S. Embassy in Budapest issued 63 immigrant visas for family reunification during the reporting period. At the end of the reporting period, the embassy had only one family which had been unsuccessful in its application to emigrate for family reunification. Since the number of cases refused exit permission is so small, we can discern no particular pattern, except to note that permission to emigrate is usually received within two years, even to those initially refused.

Forty-five immigrant visas were issued to Hungarian spouses of American citizens and legal residents by the U.S. Embassy during the reporting period. None were refused exit permits or delayed for more than six months and there has been no need for U.S. intervention in this reporting period.

German Democratic Republic. During the first seven months of 1986, 14,113 GDR citizens were granted exit visas to emigrate to the FRG. The GDR has continued to issue approximately 2,000 emigration visas per month between April and October as well. This rate is higher than the 600-1000 visas per month issued in recent years, excepting 1984, when the GDR allowed an exceptional number of citizens to emigrate (about 35,000). Many of these people left for family reunification, others for economic and political reasons. Only a fraction of those desiring to leave the GDR have been allowed to do so; reliable Western sources estimate that as many as



300,000 to 500,000 applications are still pending. An October 1983 GDR law on emigration addresses only emigration for the purpose of reunification with "first-degree" relatives (parents and children) or joining a spouse. However, some applicants with no first-degree relatives in the West have been allowed to emigrate, and there are indications that this number is increasing. It is still too early to tell whether a true, sustained trend towards liberalization has developed.

The experiences of exit visa applicants vary. In some cases, applicants wait at least a year for exit permission from the GDR, but some cases have taken three or more years. While some East Germans have been able to lead normal lives after submitting an exit visa application, others have been subjected to reprisals of varying degrees of severity. Applicants have lost their jobs or have had to take menial work. GDR authorities sometimes visit the homes of exit applicants to try to intimidate them into withdrawing their applications. Occasionally their children face discrimination and harassment in school. Successful applicants must usually renounce their GDR citizenship and accept a stateless passport.

West German human rights groups as well as the FRG government seem to agree that half of the political prisoners in the GDR were imprisoned after filing for exit permission or attempting to leave the GDR illegally; however, estimates of the number of political prisoners in the GDR vary widely.

GDR officials commonly tell applicants that it is "not possible" to submit an exit application, but if applicants persist with submission of a written statement, it will generally be accepted by GDR authorities as a de facto application. Denial of the application is given orally without explanation. Some people thus refused are advised that any future applications could lead to difficulties with the police or worse.

The continued GDR practice of severely limiting access to Western missions has inhibited potential emigrants from inquiring about emigration. Virtually all non-official visitors to the U.S. Embassy in Berlin can expect to be stopped by GDR police, have identification cards checked, and possibly be detained. Many East Germans have been warned to have no contact with Western missions under threat to their well-being, and some have been required to sign a document acknowledging that visiting a foreign mission without permission is a violation of GDR law which makes them subject to prosecution.

The U.S. Embassy in Berlin makes representations to the GDR by periodically presenting them a list of cases of direct interest to the U.S. Lists given to the Foreign Ministry during the last reporting period included 11 cases of people

who wished to go the the U.S. for family reunification. Emigration fees are not burdensome; a passport with exit visa costs about \$7.50

Czechoslovakia. The Czechoslovak record on family reunification is generally poor, but spouses, minor children and parents of U.S. citizens usually have less trouble than others. The Czechoslovak government does not regard married sons and daughters or siblings of U.S. citizens as part of the basic family unit.

During this period, the U.S. Embassy in Prague received 35 new immigrant visa applications (fifteen more than last year). The Embassy also received three new "visas 93" (family of refugees) applications, compared to 12 cases during this period last year. The Embassy issued 27 immigrant visas to family members of U.S. citizens and permanent resident aliens during this period (an increase of six from a year ago.) Also, eight relatives of refugees were processed.

Czechoslovak policy discourages emigration of the work force. Adult sons and daughters, married sons and daughters or siblings of U.S. citizens frequently experience great difficulty in obtaining exit documents and often must wait many years before receiving exit permission. Decisions on exit documentation often seem arbitrary and as dependent on where the application is made as on the merits of the case. The U.S. Embassy in Prague has 246 pending immigrant visa cases but has had no word from most of those concerned since they were notified of their petition approval, presumably because of the difficulty in obtaining exit documentation. Families of refugees can expect lengthy waits.

Assembling the documents needed to apply for emigration usually takes a minimum of six weeks. Processing of an emigration application takes from six weeks to six months from the date the completed application is submitted, although the average time is three months. If the applicant is refused, it is possible to file an appeal within fifteen days. If it is refused a second time, the applicant must wait three months before submitting a new application. Often people are told it is useless to reapply, but it is rare that a new application is not accepted. An emigrating Czechoslovak's largest expense is often the education payment levied, in theory, to reimburse the government for university and post-graduate education. Some applicants have had to pay up to the Czechoslovak crown equivalent of \$1,000 (equal to six months of the average wage).

Bulgaria. The Bulgarian record during the reporting period in family reunifications was relatively good by historical standards. Of the 8 cases which the government promised in

March 1986 would be resolved favorably, six have been successfully resolved, and two others were expected to be resolved as of the end of the reporting period. The other four family reunification cases that were pending at the beginning of the period and on which the government held out some hope of favorable resolution remain without progress, however.

The U.S. Embassy in Sofia issued nine immigrant visas in family reunification cases during the period and processed an additional seven reunification cases for relatives of refugees. The embassy has learned during the period from relatives in the U.S. of approximately a dozen new cases of Bulgarian nationals reportedly unable to secure permission to emigrate to the U.S. for the purpose of family reunification. The number of additional such cases that have not come to the embassy's attention cannot be reliably estimated.

#### Binational Marriages

In accordance with the Final Act, the participating states pledged to consider favorably applications for entry or exit permits from persons who have decided to marry a citizen of another participating state. In the Madrid Concluding Document, the participating states committed themselves to deal favorably with binational marriage applications and to decide on applications normally within six months. There is a mixed record of implementation of these commitments by the Soviet Union and the Eastern European countries. The following chart indicates the number of cases the United States was monitoring as of October 1, 1986.

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Soviet Union	28
Romania	23
Poland	0
Hungary	0
G.D.R.	7
Czechoslovakia	0
Bulgaria	2

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Soviet Union. The U.S. Embassy in Moscow and the Consulate General in Leningrad approved 33 U.S. immigrant visa petitions filed by American citizens on behalf of their Soviet citizen spouses during the review period. Of the approximately 39 spouses of American citizens and permanent resident aliens whose applications were processed by the embassy during the review period, 28 received Soviet exit permission on the first application. Nine had been previously refused at least once, and in one case, the Soviet citizen had been applying to leave for ten years. No data were available for two cases.

Americans who marry Soviet citizens are not required to register with U.S. authorities. We generally learn of binational marriages when an American files an immigrant visa petition for the Soviet spouse or asks embassy or consulate officers to notarize a statement to register the marriage. Approximately 61 such statements were notarized for American citizens and permanent resident aliens during the reporting period by the embassy and the consulate general in Leningrad. Approximately 39 persons were issued immigrant visas or other entry documents to join American citizen or resident alien spouses in the U.S.

The United States Government maintains a representation list of Soviet citizens who have repeatedly been denied permission to join their American citizen spouses. During the reporting period, of 21 cases listed, only two individuals received Soviet exit permission, and one separated spouse case was added to the representation list. The embassy intervened in at least four "blocked marriage" cases in which either an American fiance was refused a Soviet visa to register his/her marriage to a Soviet citizen or in which the American citizen entered the USSR, but was prevented from marrying. In one case an American, who has been engaged since 1979, was again denied permission to enter the Soviet Union. In another case, a Soviet fiance was threatened with military induction and later detained by Soviet police in the second attempt by Soviet officials to block his marriage to an American. One American was physically removed from a Moscow-bound train and expelled from the country and thus missed his wedding to his eight-month pregnant fiance. In each case the embassy intervened with Soviet officials, but never received any response.

Romania. Marriage to foreigners is officially discouraged, and obtaining approval is difficult. Although most applicants are eventually successful, securing official approval is a trying and time-consuming undertaking which typically requires a wait of 8 to 16 months. The number of approvals of binational marriages increased during the reporting period, however, with Romanian authorities approving 30 binational marriages. The total number of exit permits issued to Romanian

spouses for family reunification after binational marriages was also 30. The U.S. Embassy in Bucharest's monthly representational list to the Romanian government also includes binational marriages where the Romanian spouse is unable to obtain exit permission. Of the 23 cases currently on the list, 12 have been listed for more than six months.

Poland. There are fewer bureaucratic hurdles for American citizens if they marry Polish citizens in the United States rather than in Poland. Polish court permission is required for marriage in Poland, and court procedures can last as long as four months. One difficulty an American faces in a Polish court is convincing the court that he or she is free to marry, as the United States government does not issue documentation to that effect. In addition, as the Polish government does not recognize United States divorces involving Polish nationals, a divorce promulgated in the U.S. must be repeated in a Polish court, a process which can last six months. A treaty addressing legal services, which could reduce or even eliminate

these difficulties, is currently under consideration. During the reporting period, the embassy issued 133 visas to Polish citizens for the purpose of binational marriage. During the same period, Polish authorities issued an equal number of exit permits to Polish nationals for binational marriages.

Hungary. Hungarian performance with regard to binational marriages continues to be good. During the reporting period, the U.S. Embassy in Budapest received or approved 46 petitions for immigrant visas filed by American citizens and permanent resident aliens on behalf of their Hungarian spouses. The Hungarian authorities granted exit permits in all of the cases, and none were pending for more than six months. There has been no need for U.S. intervention in the reporting period.

German Democratic Republic. The GDR appears to be following the letter of the October 1983 law which provides that applications for binational marriages will be settled within six months of a completed application. The GDR does not consider an application to have been made until all required documents have been presented, and assembly of documentation in requisite formats can cause significant delay. Once the documents are accepted, permission to marry and emigrate is generally granted within six months, provided the couple marries in the GDR. Of the nine binational marriage cases on the U.S. Embassy in Berlin's list during the reporting period, six cases were resolved. Five additional cases came to the Embassy's attention during this period, one of which has been resolved.

Czechoslovakia. Although the processing of the marriage application is lengthy (3-6 months), the Czechoslovak record on binational marriages is generally good. The Czechoslovak government holds that marriages must take place in Czechoslovakia. In the past there have been cases of U.S. citizens of Czechoslovak birth being refused an entrance visa and the Czechoslovak fiancé being refused an exit visa for the purpose of marriage. During this period, one U.S. citizen of Czechoslovak ancestry was refused a visa despite having obtained approval for his marriage prior to his application. After the U.S. Embassy in Prague intervened on his behalf, a visa was issued. During this reporting period, the embassy issued fifteen U.S. immigrant visas to Czechoslovak citizens for travel to the U.S. to join their American citizen spouses.

Bulgaria. Bulgarian citizens may only marry foreigners after obtaining government approval. Preparing the necessary paperwork can be a time consuming process, but most binational marriage cases are resolved without difficulty. There were

eight such cases during the reporting period, of which seven led to the issuance of exit permits and U.S. visas. There were no known cases of the authorities having denied exit permits for Bulgarians or entry visas for Americans for the purpose of binational marriage in the last six months.

#### Travel for Personal and Professional Reasons

Although the Final Act signatories agreed to facilitate travel for personal or professional reasons, the Soviet Union and most other East European states basically do not permit such travel except under conditions of strict government control. While they generally encourage visitors from the West, those who attempt to see dissidents or who bring in religious or literary materials are subject to harassment.

Soviet Union. The Soviet Union generally encourages tourism by Westerners as a source of hard currency and in order to promote the Soviet system. Relatively inexpensive rates are offered to large groups which are easier to control than individual tourists, who pay premium prices for their solitude. Soviet authorities seek to define tourism in an increasingly narrow way which rules out contact with Soviet citizens other than in officially-arranged meetings. As in previous reporting periods, Western tourists were occasionally detained and/or expelled for contacting Soviet citizens who had been denied permission to emigrate, or for bringing "undesirable" gifts such as Russian-language Bibles.

On April 29, 1986, the Soviet tourist organization's expectations of increased American tourism were shattered by the explosion at the Chernobyl nuclear plant in the Ukraine. Hundreds of American tourists cancelled their bookings as the seriousness of the accident became known. Soviet tourist representatives confirmed that this has been a terrible summer for American tourism to the Soviet Union. Travel within the Soviet Union by American tourists and all other foreigners is extremely restricted. Large portions of the country are closed entirely to foreigners and virtually all tourists must plan their itineraries and pay for transportation, accommodations, and meals in hard currency before a visa is issued. Changing an itinerary once a visa has been issued is extremely difficult. Further barriers to normal tourism are imposed by strict and often harshly applied customs regulations.

Approximately 1,053 visitors visas to private Soviet citizens and 3,207 visas to official Soviets were issued by the U.S. Embassy in Moscow and the Consulate General in Leningrad during the reporting period. The number of visas issued to private persons is nearly a 50% increase over the same period last year.

Americans applying for visitors visas must wait varying lengths of time for their Soviet visas. Often the traveler only learns of the Soviet consulate's decision on the eve of departure. U.S. visitor visas for Soviet citizens are generally issued on the day of application for private family visits. To reciprocate for the Soviet practice of charging a ten-dollar fee for tourist and business visa applications, the U.S. charges \$10 for the same type of visas. Soviet citizens must pay 200 rubles for a foreign travel passport. This compares to an average monthly income of about 250 rubles.

Romania. While Western tourists are encouraged to visit Romania, opportunities for Romanian citizens to travel abroad for tourism remain restricted. 1,573 tourist visas were issued to Romanians in the reporting period, about the same number as last year's summer period. U.S. tourist visas are normally issued to Romanian applicants the same day, with the fees reciprocating Romanian nonimmigrant visa fees of approximately \$19 for a single entry visa and \$49 for a multiple entry visa. Romanian government policy is to encourage tourism, and visas are granted both at embassies abroad and at Romania's frontiers.

The time required for Romanians to complete exit formalities for private travel to the West varies from months to years. The total cost for a new tourist passport with exit visa is approximately \$31, and of an exit visa alone, approximately \$7.

Official Romanian sources reported approximately 10,000 arrivals by American citizens in Romania during the reporting period, down from 15,500 in the same period last year. These figures count actual arrivals and the number undoubtedly includes some multiple entries by the same individuals. American tourists generally encounter few restrictions on their movement within Romania although new, more stringent restrictions on contacts with foreigners seek to limit their access to Romanian citizens, factories and homes.

Poland. The Polish Government actively promotes tourism from the United States as a source of hard currency. American tourists in Poland during the reporting period generally experienced no difficulties with local authorities, other than problems involving customs or currency regulations.

The U.S Embassy in Warsaw and constituent posts in Krakow and Poznan issued approximately 32,500 nonimmigrant visas during the reporting period, a 25 percent increase over the same period one year ago. The U.S. Embassy usually processes a nonimmigrant visa application within one day at a cost (based on reciprocity) of \$16. Waivers of ineligibility, if needed,



normally require 10-15 days for processing. The average duration of exit formalities for tourist travel is two months. The estimated average total cost is equal to about \$30.

The estimated average duration of the visa application process for Americans visiting Poland is two weeks, and the cost is \$16. American visitors to Poland are required to exchange \$15 per day at the official rate of exchange. There are no restrictions placed on American citizens for travel within Poland other than the notification requirements for U.S. diplomats.

Hungary. Hungarian performance continued to be good. The Chernobyl accident had a significant effect on travel to Hungary, but the volume of tourism was nonetheless substantial. More liberal provisions for Hungarians to work abroad have been in force since 1983, part of a program designed to meld with the European guest worker system. Several hundred applications for the program were approved during the reporting period, according to the press. The U.S. Embassy in Budapest issued approximately 10,000 nonimmigrant visas to Hungarians in the reporting period, a small increase over the same period last year. Seventy percent of Hungarian applicants received visas in one or two days. Thirty percent, for whom waivers of ineligibility were required, received visas within two weeks. U.S. nonimmigrant visa fees for Hungarians (based on reciprocity) are \$9 for single entry and \$40 for multiple entry. Generally a 30-day period is necessary for Hungarians to receive a tourist passport for travel to the West. Tourist exit permits, together with a passport, cost less than \$10.

Hungary has no currency conversion requirement for U.S. visitors. There are no travel restrictions except for military areas, which are also barred to most Hungarians. The only significant problem experienced by Western visitors to Hungary is the delay in granting new exit permits to foreigners who lose their passports in Hungary. An average wait of three working days is required before a visa and exit permit is issued. Hungarian consular establishments in the United States and elsewhere generally issue visas within one or two days to non-official visitors. Visas are available at Hungary's frontiers, but the U.S. Embassy in Budapest is aware of 5-6 refusals annually to Hungarian-Americans.

German Democratic Republic. Most working-age GDR citizens are unable to travel to the West. Exit formalities for those who can travel abroad usually take four to ten weeks, with the cost running about \$7.50. Severe currency exchange restrictions have the effect of discouraging travel to the West

by GDR citizens. Those traveling to the West may only exchange 15 marks a year for Western currency at the GDR's official rate of exchange and they may not export or import GDR currency. Currency exchange restrictions are more relaxed when travel is within socialist bloc countries; however, GDR citizens still complain that the 30 marks a day they are allowed to exchange for such travel only barely meets the cost of accommodations and meals. The U.S. Embassy in Berlin issued 1,228 tourist visas to GDR citizens during this reporting period. That number included 34 visas issued to a GDR youth tourist group. This is the first instance of GDR citizens traveling to the United States for tourism (i.e., not to visit family members) since the opening of the U.S. Embassy in 1974. U.S. tourist visas are issued within one working day, except for cases which require waivers of ineligibility. A U.S. visa costs \$8 for single entry and \$16 for two entries.

Westerners can generally obtain visas to visit the GDR without difficulty, with the exception of those who recently emigrated from the GDR. GDR processing of Western tourist and business visa applications takes six weeks or less. Day visas for Berlin only and certain other visas applied for in West Berlin can be obtained even more quickly. GDR single entry tourist or business visas cost about \$7.50 and multiple entry about \$20. In addition, there are high (\$22-\$30) handling fees and minimum currency exchange requirements (\$12.50 per day for most visitors). Currency exchanged cannot be reconverted into hard currency or taken out of the GDR. U.S. visitors are prohibited from traveling in areas adjacent to GDR military installations, and permission must be obtained for travel within five kilometers of the GDR border, except when entering or leaving the country.

Travel and tourism in the GDR is not without risks. During this reporting period, the embassy assisted one U.S. citizen involved in a traffic accident while transiting the GDR from the FRG to West Berlin. GDR authorities allege that the U.S. citizen caused a traffic accident in which the man's U.S. citizen spouse was killed. Authorities jailed the man for approximately three weeks before releasing him on \$20,000 bail. The U.S. citizen has been warned to expect a two year jail sentence should he return to the GDR. Other diplomatic missions and unofficial East German sources have confirmed that it is common GDR practice to demand excessive bail from foreign travelers arrested in the GDR and impose more severe prison sentences on them than on GDR citizens. GDR police also enforce speed limits on foreign travelers more rigorously than on their own citizens, and require that traffic fines be paid on the spot in hard currency.

Czechoslovakia. Czechoslovak citizens can apply to travel to the west every year, but most are unsuccessful. In addition to applying for passports and exit permission, persons desiring to visit countries outside the Warsaw Pact must submit an application for a hard currency allocation in January of the year in which they wish to travel. The maximum allocation is currently 400 dollars. To obtain hard currency, Czechoslovaks must pay 25 Czechoslovak crowns for each dollar, a rate which is close to the free market price, but more than twice the current "official" rate given to U.S. tourists in Czechoslovakia. Czechoslovaks applying to travel also need permission from their employer and a police certificate. Czechoslovak citizens, in theory, are allowed to travel to the West once every three years, but, in practice, while a few Czechoslovaks are able to travel to the West every year, others are granted exit documentation once in a lifetime or never. The U.S. Embassy in Prague issued 4,057 tourist visas during this period, a modest increase over the same period last year.

Tourism to Czechoslovakia in general is encouraged, although former Czechoslovak citizens frequently experience difficulties in obtaining entry visas. Tourists are not restricted in their travel around the country, although certain localities, for example, around military establishments, are declared off-limits. If a tourist loses his travel and identity documentation he usually has to wait 3-5 days before he receives exit permission. Embassy efforts to assist in such cases have met with very limited success. Currency exchange regulations are strictly enforced and the embassy frequently receives telephone calls during peak travel months from American tourists who failed to exchange enough money or allowed their visas to lapse and found that Czechoslovak hotels were not allowed to house them.

The Czechoslovak borders are closely patrolled by border guards armed with automatic weapons and instructed to shoot individuals attempting to leave the country illegally. We have no estimates on the number of persons killed or wounded while trying to escape, although Austrian and West German residents living in the border area report that they regularly hear gunshots on the Czechoslovak side of border. There are no public government statistics on the number of persons serving prison sentences for attempting to leave Czechoslovakia without official permission, but this was one of the few "crimes" that was specifically omitted from the May 1985 amnesty. VONS estimates that there are about 1,000 prisoners currently imprisoned on such charges.

Bulgaria. Bulgarian performance in this area was mixed, with a welcome increase in the number of Bulgarians allowed to visit the U.S., but continuing reports of difficulties for Americans visiting Bulgaria. The U.S. Embassy in Sofia issued

approximately 310 tourist visas to Bulgarian nationals during the period. The cost of Bulgarian exit documentation for private visitors to the U.S. is 100 leva (approximately \$100 at the official exchange rate).

Conversations with Americans who were successful in obtaining Bulgarian entry visas suggest that some have waited up to a month. A number of Americans of Bulgarian ethnic background, with relatives still living in Bulgaria, have complained to the State Department about Bulgarian denial, without explanation, of their tourist visa requests. Tourist visas for Americans cost fourteen dollars. A frequent problem for Americans visiting Bulgaria continued to be the Bulgarian requirement--often not made clear to visa applicants--that a special visa is necessary to stay with a relative or friend, instead of the normally-required hotel room paid for in hard currency. One case reported to the embassy during the period involved an American of Bulgarian origin who complied with the requirement to book a hotel room, but stayed for one night with relatives; a 200 leva fine was imposed for the infraction. Minimum currency exchange rules also apply to tourists, and the loss of a "statistical card" (issued upon entry into Bulgaria without explanation of its significance) or its improper stamping by hotels can result in fines of up to 200 leva. In theory, travel throughout Bulgaria is unrestricted for tourists, but it is in fact subject to governmental regulation without prior notification.

### Religious Contacts

In signing the Madrid Concluding Document, the 35 CSCE states agreed to implement further provisions of the Final Act so that religious faiths and their representatives can "develop contacts and meetings among themselves and exchange information." As noted elsewhere in this report, however, religious contacts and information exchange are actively suppressed in the Soviet Union and in some East European countries.

Soviet Union. The Soviet government continues to allow contacts with religious groups from the West as long as only approved representatives of officially registered churches participate on the Soviet side. The Russian Orthodox church continues to be an active propagandist for official Soviet policy. Russian Orthodox and some other church representatives were allowed to travel abroad in the reporting period. All were careful to echo official Soviet propaganda in their dealings with foreign leaders.

It is not uncommon for Soviet church leaders to invite individual Western clerics to the Soviet Union. In addition to introducing such guests to places of religious and historical interest, church leaders emphasize the familiar Soviet "peace" theme which places all the blame for world tensions on the West. Soviet authorities discourage and often times directly interfere with meetings between Western visitors and unofficial religious figures. There are continuing incidents of religious materials being confiscated at the border when Soviet authorities consider the quantity to be in excess of what is required for personal use.

Romania. Officially-recognized leaders of Romanian Churches are generally allowed to travel to the West to meet or attend conferences with their co-religionists. While some visas are denied visiting clergy to Romania, most are allowed to enter the country to meet with church leaders and attended church services. In some cases, the desire of visiting clergy to address regular church services or to see "unofficial" or embattled clergy has been discouraged or prevented by Romanian authorities.

The ability of religious visitors to Romania to "exchange information" is severely hampered by strict Romanian border controls. It is extremely difficult to bring religious materials into Romania and many visitors report that bibles -- even single copies for personal use -- and other religious literature continue to be seized by border authorities.

Poland. The U.S. Embassy in Warsaw frequently issues visas to members of the clergy, as most Polish clergymen seem to have no difficulty in obtaining passports for travel abroad. The embassy believes, moreover, that representatives of U.S. religious denominations have been able to travel to Poland without Polish Government interference.

Hungary. Hungary has a good record in this field. There are substantial contacts, and travel is considerable in both directions. The U.S. Embassy in Budapest is not aware of significant problems with religious contacts for any denomination.

German Democratic Republic. Contacts between churches in the GDR and affiliated churches in other countries are relatively good. The majority Evangelical Church enjoys close ties with its counterpart in the FRG and receives considerable material assistance from FRG church bodies. However, members of GDR church organizations have complained of late that GDR

authorities were hampering contacts at the local level with co-religionists from the FRG, refusing to grant them visas to visit affiliated congregations in the FRG.

Czechoslovakia. The Czechoslovak record on facilitating travel by religious officials to and from Czechoslovakia remains spotty. When a proposed visit takes place between an officially-recognized institution in Czechoslovakia and its counterpart outside, visas are often granted. In the case of the Catholic church, however, the government has followed an extremely restrictive policy. Pope John Paul II has not been permitted to visit Czechoslovakia despite an invitation by Cardinal Tomasek and petitions signed by thousands of Czech and Slovak Catholics. Similarly, Catholic priests and other religious leaders who manifest too great independence are frequently denied permission to travel outside Czechoslovakia.

Unofficial or unsanctioned travel by religious groups, or the importing of religious literature and similar activities, is severely punished.

Bulgaria. The U.S. Embassy in Sofia issued approximately a dozen visitors visas to Bulgarian Orthodox priests for travel to perform religious music in the U.S. during the reporting period. At least one U.S. religious representative did visit Bulgaria during the period and was able to contact the Bulgarian religious leaders he wished to meet.

Alarmed by reports of the Bulgarian government's campaign of forced cultural assimilation directed at the ethnic Turkish minority, the Organization of Islamic Countries named a commission to investigate the situation of the Muslim population in Bulgaria. The Bulgarian government refused in May 1986 to accept an official visit by the commission on the grounds that the status of Muslims in Bulgaria was strictly an internal affair. The Bulgarian authorities, however, reversed their decision in September, offering to accept such a visit, but the group has yet to actually travel to Bulgaria.

### Information

The Final Act signatories agreed to facilitate wider and freer dissemination of information of all kinds, to encourage cooperation in the field of information and exchange of information with other countries, and to improve the working conditions of journalists. The Madrid Concluding Document contains a number of provisions which strengthen the Final Act. Included among these are provisions that commit the



participating states to: encourage the sale and distribution of printed matter from other states; decide journalists' visa applications without undue delay; grant permanent correspondents and their families multiple entry and -exit visas valid for a year; provide more extensive travel opportunities for journalists; increase possibilities for foreign journalists to establish contacts with sources; and allow journalists to carry with them reference materials and personal notes.

### Dissemination of Information

Soviet Union. While there is certainly no change in the established pattern of government and party dominance over censorship of all information and media outlets, there have been isolated instances of greater access for Soviet citizens to American and Western perspectives. Such instances include Soviet coverage of the Chautauqua Conference in Latvia in September and participation by Western officials in televised news interview programs. With the exception of rare copies of American communist newspapers, American publications are not available at Soviet newsstands. American non-communist periodical publications are circulated only among a few Westerners and a select Soviet elite. Much the same is true of publications from other Western countries. The Soviet state organization which makes newspaper and magazine subscriptions available to the public lists for the United States only technical, scientific, and communist periodicals, at costs considerably higher than for domestic and Eastern European journals.

The USIA-produced magazine "America Illustrated" remains very popular in the USSR, but it is only available in extremely limited quantities for subscription and newsstand sales. A large number of copies of each issue is returned to the Embassy as unsold.

A number of American films are shown to Soviet audiences but the selection of films is tightly controlled by government censors and films released domestically tend to reinforce distorted, government-fostered stereotypes of the U.S.. All Voice of America (VOA) broadcasts in languages native to the Soviet Union, Radio Liberty broadcasts and Radio Free Europe broadcasts continue to be jammed.

Romania. The Government seeks total control over dissemination of information in Romania. All media are rigidly controlled and used primarily as vehicles for government and party propaganda. Foreign and even local news items are carefully selected. As a result, domestic media reports are