



THE POWER OF FREEDOM

CENTRAL AND EASTERN EUROPE AFTER 1945

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FOREWORD

'I trust that these times will vanish like a horrible nightmare. It gives me strength to stand here and breathe. Our nation has suffered much and therefore we will survive these dark times,' announced the Latvian freedom fighter Gunārs Astra, on 15 December 1983, to the Supreme Court of the Latvian Soviet Socialist Republic sentencing him for the second time to the GULAG prison camps in Siberia for anti-Soviet activities.

Astra was right. The dark times of totalitarian Communism really did vanish and today, in 2009, Europe can celebrate the 20th anniversary of freedom in Central and Eastern Europe, which ended the 50-year division of Europe by the Iron Curtain. On one side of this curtain, there was freedom, democracy, the rule of law and a market economy ruled. On the other people had to live under terror, violence, totalitarianism and the socialist command economy. Under the Communist dictatorships, millions of people were killed, arrested, tortured and sent to labour camps. These countries were cut off from the rest of the world and the peoples' rights were taken away from them. This resulted in the destruction of the economy, civil society and the environment in these countries. Most destructive of all were the wounds inflicted on human souls.

It all ended in 1989. During peaceful revolutions, Central and Eastern Europe freed itself from Communism and took its first steps on the road back to a common civilisation of freedom, law and democracy. Revolutions are usually bloody affairs; violent transfers of power. But revolutions need not be violent in order to qualify as such. When Nicolaus Copernicus analysed the position of stars in the sky, he formulated the first scientific definition of revolution as a process whereby the stars return to their original positions. Hannah Arendt applied this observation to politics and concluded that revolutions are actually a return to the original freedom of man.

So in 1989, Central and Eastern Europe was free again and it was only then that its populations discovered what Communism had really done to their countries and people over the previous 50 years. Communism culminated in total economic failure, the collapse of social networks, poverty and the rapid growth of criminality. New democratic governments elected to power during the first free elections had to lead their countries out of these crises, build democratic institutions and establish the rule of law and market economies. There was no textbook available to guide such an undertaking, nobody had done it before. It was certainly not an easy task, but the results have been better than anybody expected during the difficult times of the final years of Communism.

Now, 20 years on, it is time to draw the first conclusions and look at what we have achieved and what we have not. It is hard to deny that it has been a real success story; Europe has been united and there is now far greater stability and prosperity. The countries of Central and Eastern Europe have changed beyond recognition, although it has not been possible to overcome all of the problems created by 50 years of Communist rule, however. Compared to Western Europe, the new Member States are still poor even though they have moved closer to matching average European standards of living.

Unfortunately, the 20th anniversary of freedom in Central and Eastern Europe coincides with the biggest global economic crisis since the Second World War and, indeed, this crisis has hit many Central and Eastern European countries hard. This has raised certain questions: have democratic and market reforms been at all successful? Was life not better under Communism? These questions must be answered quickly. Now, during the 20th anniversary of the peaceful revolutions and the fall of Communism, is the best time to do so. Unfortunately, we have not given due credit to this success story, with the result that the enlargement of Europe has more often been regarded as a problem than a success. It is at last time to put events in Central and Eastern Europe into perspective, demonstrating to all how freedom works.

This is especially important as the developments in Central and Eastern Europe during the bloody twentieth century are often misunderstood and misused. One such misunderstanding, for example, is the way in which totalitarian Communism is evaluated by many scholars and by public opinion across the world. The magnitude of Communist crimes, the level of violence and the total number of victims of Communist terror are all underestimated. Communism is perceived as a political system that is only slightly different to our own, one that is associated with limitations on political freedom, but which nonetheless helped to modernise backward Central and Eastern European countries, achieving literacy, economic development, full employment and social guarantees such as free health care and education to their populations.

In reality, however, Communism was a complete failure. To understand this, rather than compare the level of development in Central and Eastern European countries' in 1989 not with their level in 1945, it should be compared with the level of development in Western countries in 1989: countries such as West Germany, Greece, Finland, Spain and Portugal. Such a comparison clearly demonstrates that West European countries, starting from the same or an even lower level at the end of World War II, had achieved markedly more success in all areas than the countries that found themselves trapped under the Communist yoke.

This is a book about Communism, about what it really accomplished and about the destruction it caused during its decades in power. Without this, it is not possible to understand the problems and challenges of transition.

The second misunderstanding is the answer to the question of what made the fall of the Soviet system possible. The main reason for the USSR's collapse is often understood to be perestroika and the goodwill of its initiator, Mikhail Gorbachev. It is true that most of the revolutions in 1989 were peaceful, but these years were actually only the final steps on the long road of the fight for freedom that had in fact lasted for decades. Freedom was not restored in Central and Eastern Europe without blood and fierce fighting, during which thousands of freedom fighters died. Perestroika, which led to collapse of the Soviet system, was not started because Gorbachev liked democracy and freedom; rather, the

victory of Western civilisation in the Cold War pushed the Soviet Union into a corner from which it had no option other than to try to reform the system. The Central and Eastern European nations played an important role in this victory, fighting the war as brothers in arms on the side of the West. The battles of this war were fought on the streets of Berlin in 1953, Poznan and Budapest in 1956, Prague in 1968, Gdansk in 1970 and 1980, and in the Baltic forests and swamps during the long partisan movement against the Soviet invaders. The Soviet system was weakened by civil resistance to Communism and by the will of the people wanting to live as free men and women. It would not have been possible for the Western world to win this war alone; the victory came through a common struggle.

This is a book about courage—about how fear was overcome step by step. How, in the beginning, there were always only small groups of brave people who risked everything and were often crushed by totalitarian regimes for doing so. Their courage nevertheless paved the way to continued resistance—and, in the end this resistance crushed the Evil Empire. This is also a story of solidarity: without the West's success in the Cold War, the Soviet empire would not have been defeated.

The third misunderstanding lies in an underestimation of the achievements of Central and Eastern Europe's transition to democracy and a market economy. This transition is often associated with economic misery, social tensions, the rise of inequality and unemployment. Developments in Central and Eastern Europe and their achievements are compared with the current economic and social conditions in Western welfare states, rather than with the situation in transition countries at the fall of Communism. The magnitude of the failure of the Communist command economy and the social experiment is underestimated, with the collapse of the economy and social structures being linked instead to reforms introduced during the transition period that were considered 'too liberal'. In fact, the misery had more to do with the chaos created by the collapse of Communism, the reforms were a response to this collapse. They did not cause it, rather, they were intended to lead Central and Eastern Europe out of crises.

This path was, of course, not an easy one. A number of mistakes were made, while the speed of development and the achievements of transition have varied significantly. Some countries have failed badly resulting in even more misery than they had experienced under Communist rule. In Central and Eastern Europe, the results have nevertheless been excellent. An important role in this success was played by the desire of Central and Eastern European countries to 'return to Europe' and by the willingness of Western Europe to accept the countries that had been cut off from it for 50 years. Nineteen eighty-nine opened the doors that had been slammed shut by the forces of a tragic history. It was the beginning of a homecoming.

This is a book about the power of freedom and democracy. The achievements of the transition of former Communist countries have often been underestimated and the success of the enlargement of the European Union, neglected. Hopefully, such an understanding will encourage Europe today to continue its enlargement, bringing greater stability to its borders.

The experience of the new Member States demonstrates clearly that freedom really works. This is the main reason why this book concentrates on telling the stories of the new EU Member States: Estonian, Latvia, Lithuania, Poland, the former East Germany, Hungary, the Czech Republic, Slovakia, Slovenia, Romania and Bulgaria. This area is also known as Central and Eastern Europe.

Developments in Russia, the Ukraine or the Balkans are also touched upon in order to put events into context. Separated from Europe by the Iron Curtain and subjected to the processes of Sovietisation, the captive nations of Central and Eastern Europe continued their fight for freedom and eventually won a decisive victory, liberating their countries from Communist dictatorship. Their journey back to Europe has not been easy, it demanded a lot of hard work and sacrifice, but ultimately this goal was achieved.

This book is dedicated to the road to freedom of the former captive nations of Europe and to all those who sacrificed their lives to make this dream come true.

ON THE OTHER SIDE OF THE CURTAIN

The old New Europe

The first time that Emperor Charles IV entered the eastern capital of his empire, Prague, in 1355, he was so impressed by what he saw that he established a permanent court there. According to the Emperor, Prague had the 'most beautiful women and the best beer in the world.' Today, the experience of foreign visitors on their initial trips to the 'new' European countries is similar. Before their arrival, visitors expect to see onion-shaped domes, Russian *matrjoshkas* and orthodox icons. But to their surprise, they are greeted by Gothic castles, Renaissance palaces, and baroque churches. Old cities such as Prague or Tallinn appear more 'European' than some of the capitals of Western Europe. This is no miracle—Prague is actually farther West than Vienna.

In order to understand the history of Europe, we must remember that Europe is a cultural rather than a geographical entity derived from common historical experience and a shared system of values. Countries in both Western and Eastern Europe have faced the same historical challenges: Christianity, feudalism and rivalry, the Renaissance, the Reformation and the Counter-Reformation, the Enlightenment, the birth of the nation-state and democracy. Despite this shared historical legacy, national and cultural diversity run deep within Europe. Indeed, no area of the world of comparable size has so many fully developed national cultures and languages. Europe has never been a 'melting pot of nations' and has, in fact, resisted attempts throughout history to blur its separate ethnic identities.

Central and Eastern Europe, as we now know it, started to develop during the collapse of the Roman Empire when successive waves of migrating warrior peoples—the Vandals, Goths, Huns and Avars among others—made their way from the Eurasian steppes to the Atlantic. Over the next few centuries, parts of these tribes converted to Christianity and Polish, Hungarian, Lithuanian and other states were created. The people of Central and Eastern Europe were divided not only in terms of language and culture, but also by different forms of Christianity as well. Central Europe and the Baltics remained loyal to Western Christianity, while Eastern and South-Eastern Europe adopted Eastern Christianity.¹

Soon after the beginning of their modern history, the Central and Eastern European nations served as a barrier by opposing onslaughts from the East. The

¹ Davies 1996.



The Baltic Sea has united Central and Northern Europe through history.

history of Central and Eastern Europe is replete with battles against invading forces trying to march to the West. Estonian and Finnish tribes halted attempts by Kievan Rus to move farther west in the 11th and 12th centuries. During the 13th and 14th centuries, the Grand Duchy of Lithuania played a major role in the fight against a Mongol-Tatar invasion. Finally, in the 16th century, Hungarians fought to the death against the Turkish Ottoman Empire, the same role that was played by the Polish-Lithuanian Commonwealth, 'Rzeczpospolita', in the 17th century. Jan Sobieski, one of the most outstanding kings of Poland, was forced to choose an enemy against which to marshal Polish forces. It would have been in the Polish national interest for him to choose to fight Poland's main enemy, namely, the emergent Russia. However, fighting the Turks served European interests better and Sobieski made his choice for Europe. On 12 September 1683, he led his cavalry in a decisive attack against a powerful Ottoman army of 200,000 men during the siege of Vienna, achieving a crushing victory. The Ottoman retreat, which began that day in Vienna, continued in stages for the next 200 years.

While Central and Eastern European nations successfully protected Europe from Mongolian, Ottoman and Russian invasions, they were weakened in this fight. One after another, the independent states of Central and East Europe disappeared from the map, were divided up among their neighbours or, indeed both. The Czechs lost their independence after the Hussite wars and the Hun-

garians, in the 16th century. Poland was conquered by and then divided among its bigger neighbours during the 18th century. The loss of political independence was followed by cultural and linguistic takeovers. German culture and language were especially significant in assimilating the local nobility and intelligentsia in many Central and Eastern European countries. The more successful and educated segments of local societies were Germanised and consequently lost to their nation. The elite in most Central European states was destroyed and the countries themselves started to resemble 'peasant nations'. At the end of the 18th century, the nations of Central and Eastern Europe seemed to have disappeared from the map.

At this point, their future looked bleak. But then an era of nationalism began in Europe. England is considered to be the first modern nation in Europe, dating back to the 16th and 17th centuries. In the 17th and 18th centuries, France, Spain, Sweden, Denmark, Portugal and the Netherlands became the next countries to establish nationhood founded on political independence. The Italians and Germans had also acquired a remarkable cultural homogeneity by that time, but had not been able to develop a nation-state. The emerging nation-states served as examples for at least twenty other European nations that had not achieved or restored independence, but which desired comparable levels of political development and modernisation. In this way, national movements began in most of Central and Eastern Europe at the end of the 18th century. These movements were influenced by the ideas of Rousseau and Herder, that embodied a faith that smaller nations could be reborn with identities of their own. Neither had those nations with earlier traditions of statehood forgotten their lost independence. The Poles defended the Polish cause on battlefields across Europe, at the same time helping to promote the independence of other nations. Both uprisings in Poland—in 1830-1831 and 1863-1864—failed, however. A wave of uprisings spread over Central Europe in 1848, culminating in the Hungarian revolution (1848-1849) that was thwarted with the help of Russian forces.

Despite these failures, new, modern nations emerged in Central and Eastern Europe, that successfully resisted all attempts at denationalisation. Common losses and sacrifices united nations, sometimes more so than victories. New social structures developed as societies were modernised and energised. Within a short period of time, political parties were organised with clear goals for the national movement: initially, mostly striving for autonomy, finally demanding full independence. These dreams long appeared unrealistic. But then World War I broke out and the realities of the situation breathed life into these dreams. Soon after the war began, both sides in the conflict realised that the support of local nations was essential for victory. Thus, ideas about greater autonomy were floated and there were suggestions of some kind of independence. In many cases, Central and Eastern European countries allied themselves with both sides in the conflict, trying to ensure the best outcome for their nations. For example, various Polish politicians worked with Russia, Great Britain and France, as well as Germany and the Habsburg monarchy. National units were raised in the Central and Eastern European nations. For many of these nations, such military units provided a foundation for national armies afterwards and also helped to garner international support for their independence movements.

With the collapse of Austro-Hungary and Czarist Russia at the end of the war, the nations of Central and Eastern Europe seized the opportunity to declare their independence in 1917-1918, often relying on autonomous structures—mostly

Map 1

Central and Eastern Europe at the end of the 19th century



regional councils—created by different rulers during the war. These developments were consistent with the Wilsonian ideal of national self-determination which, unfortunately, was not applied either uniformly or fairly. Nations fighting for the ‘wrong side’ were punished by the winners. For example, as a result of the Treaty of Trianon in 1920, Hungary lost two-thirds of its former territory and nearly half of its population. At the same time, Czech territorial claims on Austria and Hungary were fully supported. Polish demands for the restoration of its old frontiers were incompatible with the idea of the restoration of the White Russian Empire—which actually never materialised—and were condemned by France and Great Britain as ‘extreme nationalism’.

At the same time, a new threat arose from the East. From the ruins of Czarist Russia there grew a real totalitarian power—Communist Russia. This totalitarian power threatened the very foundations of European society, including Christianity, individualism and private property. It was natural that the Communists liked to be called the ‘new Huns’. The leaders of the Communist takeover wanted not only to rule Russia but the entire world, a goal they planned to achieve by means of world revolution.² In the beginning, Western Europe clearly underestimated the threat of Communism. Although it provided some support to the nations fighting against the Reds and supplied provisions to the White Russian army, decisive steps were not taken to destroy Communism. The warnings made by Winston Churchill, probably the first leading Western politician to understand the Communist threat, were ignored.³ In 1918, the Communists believed that the time was ripe for the invasion of Western Europe. After the collapse of Germany at the end of World War I, Lenin ordered the Red Army to move to the West and ignite the fire of worldwide revolution. Exporting the Communist revolution to Germany meant that the Red Army first had to con-



Victims of Red Terror in Valga, Estonia 1919.

² Pipes 2001.

³ Gellately 2007.

quer the newly independent Baltic States and to reach East Prussia. By December 1918, the Red Army had captured most of Latvia and Lithuania and was advancing on Tallinn, the capital of Estonia. Confident of victory, the Red Army did not deploy many forces against the Estonians. Consequently, the Estonian forces—mostly young schoolboys, students and other volunteers—stopped the Red Army's advance 30 kilometres from the capital and thereafter pushed it out of Estonia, much to the surprise of both groups of combatants. Most Estonians were not sure that their tiny country could win a war against Russia. Nevertheless, those young volunteers threw the Red Army back. Supported by British naval units and Finnish volunteers, the Estonian forces successfully breached the Red Army's western flank. Communist leaders panicked: the holy city of the revolution—St Petersburg—appeared to be threatened. On Lenin's orders, elite Red Army units that had been moving towards the borders of Germany were stopped and redeployed against Estonia. This did not help. The increasingly confident Estonians destroyed one Red Army unit after another and even forced the Communists out of Northern Latvia. Crucially, Lenin's first attempt to export the revolution to Europe was defeated.⁴

But the Communists refused to abandon their goal of dominating Europe. They tried to encourage the Germans to revolt against the 'capitalists' but this ploy failed after some attempts. The Communist Republic of Hungary was destroyed by rebelling Hungarians and neighbouring nations. After these failures, Communist Russia decided to mass its forces and launch a long-postponed offensive against Poland and then to Europe. To interrupt the enemy's preparations, Pilsudski decided to attack first. His surprise attack in the spring of 1920 captured a large part of Ukraine and in doing so, won time for Poland. In July, the Red Army launched its counter-offensive with the order 'to the West! Over the corpse of White Poland lies the road to world-wide conflagration!' The commanders of the Red Army boasted of 'clattering through the streets of Paris before the summer is over.' The Poles were pushed back, fighting for their lives. Western governments watched the Red Army's march on Berlin with considerable interest, but did not send reinforcements or any real help. A young adviser to the French military mission in Warsaw, Colonel Charles de Gaulle, observed these events with great interest.⁵ Poland and Europe were saved by the 'Miracle on the Vistula', a furious Polish counter-attack on 15–16 August 1920. Remembered as the last great cavalry battle in European history, the Red Cavalry was defeated and Lenin asked for peace. The British ambassador to Berlin, who had watched the battles near Warsaw from his Rolls-Royce coupé, wrote: 'If Charles Martell had not checked the Saracen conquest at Tours, the Koran would now be taught at the schools of Oxford. Had Pilsudski and Weygand failed to arrest the triumphant march of the Soviet Army at the Battle of Warsaw, not only Christianity would have experienced a dangerous reverse, but the very existence of Western civilisation would have been imperilled.' In reality, the Poles had not won more than breathing space: the Soviets' advance into Europe had been repulsed, but not abandoned. Unfortunately, in 1920 this was not understood.⁶

The first decade of independence was not easy at all for Central and Eastern Europe. While struggling to establish stable political regimes, Central and Eastern European countries were also forced to bear the economic consequences of

⁴ Laar 2006, pp. 112–123.

⁵ Zamoyski 2008.

⁶ Davies 2003b, pp. 29–60.

Map 2

Central and Eastern Europe after World War I



the collapse of the Russian and Austro-Hungarian empires. Their largely agrarian economies were burdened by the loss of former markets, hyperinflation, and post-war recession. Consequently, nearly all of the Central and Eastern European states experienced economic collapse during the first years of independence. Lodz, the largest textile city in the region, suffered a 75% drop in production when it lost its traditional Russian market. Losses in the Baltic countries were even bigger, as Russia had been the natural market for their industrial and agricultural products. Subsequent to their independence, they had to make inroads into hostile European markets that were themselves in recession.⁷ Nevertheless, significant reforms were introduced in all of the Central and Eastern European countries. Land reforms were passed, some of which were quite extensive, resulting in the break-up of large estates and the redistribution of their property. The first difficult years were followed by a decade of rapid growth in the economy, especially agricultural production, both in terms of quantity and quality. Monetary reforms were introduced in the 1920s and inflation was suppressed. Although Hungary and Poland experienced hyperinflation, other Central European countries stabilised their economies with less economic disruption. The pace of economic growth in Central and Eastern Europe gathered speed chiefly during the second part of the 1930s.

This created good conditions for the overall modernisation of Central and Eastern Europe. The region was urbanised, some countries more than others. Industrialisation assumed a more important economic role, although as most countries in the region remained agricultural. Significant and important steps were taken in the field of education: new schools were opened and the quality of teaching improved. As a result, illiteracy in Central Europe decreased quickly. Science and culture developed in quantum leaps. Despite the number of problems requiring a solution, achievements were clearly visible. Proof of these accomplishments is reflected in the fond remembrances of these years by people who, during subsequent decades, were forced to live under Communist rule that renounced these past achievements. At the end of the 1930s, Central and Eastern European countries lagged somewhat behind Finland and Austria, on a par with Greece and Italy, but clearly ahead of Spain and Portugal on GDP per capita.⁸

Unfortunately, such successes could not cover failures in other important areas. Democracies in Central Europe were weak and did not last long. Participation in politics was granted to new groups in society. Sadly, however the political parties representing them were often weak and inexperienced. This led to perpetual political fighting, instability and growing uncertainty. Liberal democracy did not appear to be a very attractive model in this situation. People dreamed of 'law and order' and this was promised by different authoritarian rulers. Political liberties were restricted, while parliaments and political parties were dissolved. The first coup of this kind was organised in Poland in 1926 by J. Pilsudski. Shortly thereafter, a coup was staged in Lithuania and, in the 1930s, many other countries moved from democracy to autocracy. In some Central and Eastern European countries Western democracy was actually never founded. One shining exception to this was democratic Czechoslovakia, although it also had national problems to resolve. The authoritarian regimes in Central and Eastern Europe cannot, of course, be compared with Fascism in Italy or Nazism in Germany. There were no concentration camps, no mass

⁷ Janos 2000, pp. 125–201.

⁸ Romsics 1999, p. 349.

Table 1

Economic development levels in the world in 1937

Countries	National income \$/head (at 1937 \$PPP) (USA = 100)
USA	100.0
Great Britain	77.2
Sweden	70.2
West Germany*	59.6
Denmark	59.6
Belgium & Luxemb.	57.9
Switzerland	56.1
Netherlands	53.7
Norway	52.6
France	46.5
Finland	37.5
Austria	33.3
Ireland	31.6
Czechoslovakia	29.8
Italy	23.7
Japan	23.7
Hungary	21.1
USSR	18.4
Poland	17.5
Spain	16.7
Portugal	16.3
Greece	16.1
Romania	14.2
Yugoslavia	14.0
Bulgaria	13.2

* Figure for 1937 is for undivided German Third Reich.

Source: Eva Ehrlich: *Országok versenye 1937–1986*. Budapest: Közgazdasági és Jogi Kiadó, 1991, 69.

terror and society was not entirely controlled by the state. Moreover, although some political leaders used Fascist rhetoric, the masses were not influenced by it. Compared to the real totalitarian states in East or West, Central and Eastern Europe remained safe and stabile, continuing to live under the rule of law and basic civic freedoms.⁹

The other failure of the Central and Eastern European countries was their inability to coordinate their defence and foreign policies. The concept of the '*cordon sanitaire*', conceived of as a belt of states holding off Soviet Russia, was not consistently pursued. First, the danger of Communism was underestimated. The world passively looked the other way as the Communist regime waged massive campaigns of terror against its own people, annihilating most of the educated class in Russia, transporting peasants to Siberia during forced deportations, starving to death six to seven million people in the Ukraine during 'Golodomor' and repressing millions of people, including entire national groups, during the

⁹ Schöpflin 1993, pp. 5–56.

'Great Terror' of 1937–1938.¹⁰ All this would also happen in Central and Eastern Europe. Hitler and the Nazis were similarly underestimated. The immediate consequence of this failure became apparent in the 1930s, when Eastern and Central Europe found itself in the eye of a gathering storm. With Hitler on one side and Stalin on the other, its leaders tried to find ways to protect their independence. This was particularly difficult due to Western Europe's lack of interest in anything situated east of Germany. In the end, East European countries were considered 'faraway countries about which we know little' by Western leaders like Neville Chamberlain.¹¹

All these misgivings and problems were not very different from the problems of the 'old' European states. Public opinion often tends to consider the 'first' period of independence of the Central and Eastern European states to have been a failure. This is unfair. Western democracies also collapsed under the onslaught of totalitarian powers. Internal problems and mistakes were not the main reasons for the loss of independence of the Central and Eastern European states. Rather, the tragedy of Central and Eastern Europe was the result of the establishment of totalitarian dictatorships and the inability of European nations to curtail their expansion. Thus, Central and Eastern Europe followed the path of most other European countries in the interim between the wars. During the 1930s, hardly a year passed when one country or another did not see its democratic constitution violated by a dictator or authoritarian leader. It should be remembered that, prior to the Second World War, even the least democratic countries in Central and Eastern Europe were more democratic than Western European countries like Germany, Italy or Spain. So there was unity in good and in bad. Mentally and culturally, Central and Eastern Europe was a normal part of Europe. Unfortunately, the political divisions did not respect the region's cultural roots. During the Second World War Europe was cut to pieces and divided for the next half century.

Between Two Evils—Central and Eastern Europe during the Second World War

One of the tragedies of the modern world is that, after the First World War, European democracies were in poor shape to meet the challenges presented by two totalitarian systems: Communism and Nazism. Although these two systems differed in some ways, their ideologies were similar and, crucially, they had a common enemy—Western democracies.¹² Both Nazism and Communism lacked any semblance of ethics and morality, as was evident in the unscrupulous tactics employed in their attempts to destroy democratic governments in the West. Unfortunately, European states were absorbed with their own affairs after the First World War, thus providing dictators with the time and space to expand their influence. This laid the groundwork for the policy of appeasement that began in the 1920s and accelerated with each new concession to the dictators. The 1938 Munich agreement was the culmination of this policy. To achieve 'peace for our time', the democratic state of Czechoslovakia was urged to disarm and cede a part of its territory, the Sudetenland, to Nazi Germany.

¹⁰ Gregory 2009; Conquest 1992; Conquest 1986.

¹¹ Hiden and Salmon 1991.

¹² Geyer and Fitzpatrick 2008.

Map 3

Central and Eastern Europe in World War II



At this time, the European democracies could have stood their ground against Hitler's territorial demands and negotiate iron-clad agreements for Czechoslovakia's security. Instead, they bowed to the Nazis' claims on a free country. Also, the Czechoslovakian President Eduard Beneš had no right to compromise his country's territorial integrity, yet he did so. One year later, Czechoslovakia had ceased to exist.¹³

Even though at this time the Soviet dictator, Josef Stalin, appeared to be the main opponent to Hitler, the Munich Treaty convinced him that the West could not stand strong against aggressive behaviour. If Stalin and Hitler joined forces, the West would be powerless to stop them. Throughout the spring and summer of 1939, Stalin carefully signalled that he was ready to entertain a German proposal for more extensive cooperation.¹⁴ Stalin was convinced that a Communist revolution in Europe would not succeed as long as there was peace. To ignite worldwide revolution Stalin needed a war, and Hitler was just the man to start such a war. It is not surprising, then, that Stalin named Hitler 'the icebreaker' of the world revolution. To mask his intentions, Stalin negotiated with British and French delegations, thereby decreasing their interest in fashioning a peace agreement with Hitler. Because Stalin wanted Europe to be enveloped in war, he used all of his guile and influence to undermine peace initiatives. In the end, Hitler cast aside his suspicions and agreed to Stalin's proposals. After secret negotiations, the Foreign Minister of Nazi Germany, Joachim von Ribbentrop, was invited to visit Moscow on 23 August 1939, at which time he signed a non-aggression pact with Vyacheslav Molotov, Stalin's Foreign Minister.¹⁵ The treaty was supplemented by a secret protocol that contained an agreement between Hitler and Stalin to carve up Eastern Europe into spheres of influence. Finland, Estonia and Latvia (and later Lithuania) were incorporated into the Soviet sphere, Poland was divided between Hitler and Stalin and the Soviet interest in Bessarabia was recognised.

The so-called 'pact of non-aggression', or the Molotov-Ribbentrop Pact, was a perfect blueprint for aggression that constituted a license for Hitler and Stalin's war against much of Europe. Each of the signatories was now free to assault its neighbours without hindrance from the other. In his speech to the Politburo on 19 August 1939, Stalin admitted that without a non-aggression pact with the Soviet Union, Hitler would be reluctant to begin a war in Europe. According to Stalin, a war in Europe was in the Soviets' interests, especially since at its conclusion both sides would be exhausted and the Soviet Union could intervene at the opportune moment to pursue its own territorial ambitions. This was the best route to world revolution. In retrospect, it is clear from the outset of his dealings with Hitler that Stalin intended to outmanoeuvre his new partner, preparing the way for a complete Communist takeover of Europe.¹⁶

On 1 September 1939, Hitler invaded Poland and the Second World War began. The German army advanced quickly and destroyed the main forces of the Polish army. On 17 September, Red Army troops poured across the Polish border and completed the conquest. Poland capitulated on 4 October 1939, and was divided between the two aggressors. Looking at footage from the common 'victory' parade arranged in Lvov, we see the satisfied faces of Soviet and Nazi officers—their common historical enemy Poland had been wiped from the map. The occupation

¹³ Ferguson 2006, pp. 312–385.

¹⁴ Nazi-Soviet relations. The Department of State 1948.

¹⁵ Read and Fisher 1988.

¹⁶ Weeks 2002.



Line dividing Central and Eastern Europe with the signatures of Stalin and Ribbentrop on 28 September 1939.

of Poland by both the Nazis and the Soviets provided the rest of the world with stark evidence of the terror that totalitarian powers were capable of inflicting. Between 1939 and 1941, the Gestapo and the Russian secret police, (NKVD) cooperated with each other, actively exchanging information and arresting suspects wanted by their partner in crime. The Nazis commenced the Holocaust that killed millions of Jews. Other Poles were murdered in order to suppress the remainder of the population controlled by the Nazis. The brutality of the Soviets matched that of the Nazis. In 1939, the Soviet Union took control of over 52.1% of the territory of Poland, with over 13.7 million people. Initially, the Soviet occupation gained support among some members of the non-Polish population, but their enthusiasm quickly faded as it became clear that Soviet repressions were aimed at all national groups equally. There were four major waves of deportations from the conquered territories between 1939 and 1941. Older Polish sources estimate that altogether as many as 2 million people were lost due to deportations, conscription and arrests. According to the Soviet documents the number of people deported is lower — 320,000 — to which 43,000 interned POWs can be added. The Soviets arrested and imprisoned 107 140 Poles between 1939 and 1941, including former officials, officers, and natural ‘enemies of the people’, such as the clergy, executing about 65,000 Poles during two years of occupation.¹⁷ During the early stages of the war the Soviets killed thousands of Polish prisoners of war. In 1940, the NKVD systematically executed 21,768 former Polish officers, political leaders, government officials, and intellectuals, imprisoned in 1939 war. Some 4,254 of these were uncovered in 1943 in mass graves in Katyn Forest.¹⁸ The intention of the Soviets was to kill as many members of Poland’s intelligentsia as possible in order to weaken any future Polish state. The fact that most imprisoned officers were from



Victims of Soviet terror in Kuressaare, Estonia. Autumn 1941.

¹⁷ Gross 2002, pp. 144–225.

¹⁸ Sanford 2005.

all these professional groups is a consequence of the fact that they were reservists. Even today, Russia's leaders do not want to acknowledge this crime, attacking the Polish director Andrzej Wajda's film about the Katyn massacre claiming it to be 'anti-Russian' propaganda. Wajda's father was also killed in Katyn and throughout the entire Soviet period, he was unable to talk publicly about what had really happened to him.¹⁹

In late September 1939, the Soviet Union began exercising the liberties it had been granted by Hitler in the Baltics. First, it issued an ultimatum to Estonia to sign a treaty allowing the deployment of Soviet military troops on Estonian soil. Although most of the population wanted to reject the Soviet demands, Estonian political leaders decided in favour of a peaceful solution. After signing the treaty, the Red Army marched into Estonia in October 1939, occupying bases allotted to it and promising not to violate Estonia's independence. In the following months, the Soviet Union signed similar pacts with Lithuania and Latvia. Finland, however, rebuffed Soviet demands and heroically defended its decision in the Winter War of 1939–1940. Despite heavy territorial and human losses, Finland succeeded in retaining its most cherished treasure—its national independence. Finland thereby avoided the fate of the Baltic States and kept its place in the Western world. In June 1940, the Baltic countries were completely occupied. They were cut from the rest of the world by the Soviet forces and pressed to surrender. On 14 June, a Finnish passenger plane, the 'Kaleva' was shot down over the Estonian territorial waters by the Soviet airplanes, killing everyone on board.²⁰ Under Soviet orchestration and the protection of Soviet tanks, legal governments were replaced by Soviet puppet governments. After Soviet-style 'elections', in which all candidates except the Communists were removed from the ballots, the Baltic countries 'voluntarily' joined the Soviet Union.²¹

During the first year of occupation, the Baltic countries were forcefully Sovietised. A massive terror campaign was launched, with arrests in the Baltic countries starting just before the countries officially 'joined' the Soviet Union. During the first year of Soviet occupation, about 8,000 people were arrested in Estonia. In Latvia and Lithuania too, the prisons filled up with prisoners. Many of those arrested were interrogated in the cruellest way and then killed—often without court ruling. The names are known of 2,199 Estonians murdered by the Soviets between 1940 and 1941. Eighty-two minors, including three infants, were among them. The most extensive act of genocide was the deportation of whole families to Siberia in the course of the "June deportations" that started on 14 June 1941.²² According to the 'final report' prepared by Merkulov, the People's Commissar of the USSR State Security Office, a total of 9,146 people were deported from Estonia, 3173 of whom were arrested, 15,500 Latvian citizens were sent to Siberia and a further 17,730 people were deported from Lithuania.²³ The majority of them never saw their homeland again. Among the children deported to Siberia in those terrible days was Lennart Meri, son of the Estonian diplomat Georg-Peeter Meri. In 1992 he became the first democratically elected President of free Estonia. Many other children were not so lucky. Several reminiscences

¹⁹ Wajda 2007.

²⁰ Johnson and Hermann 2007.

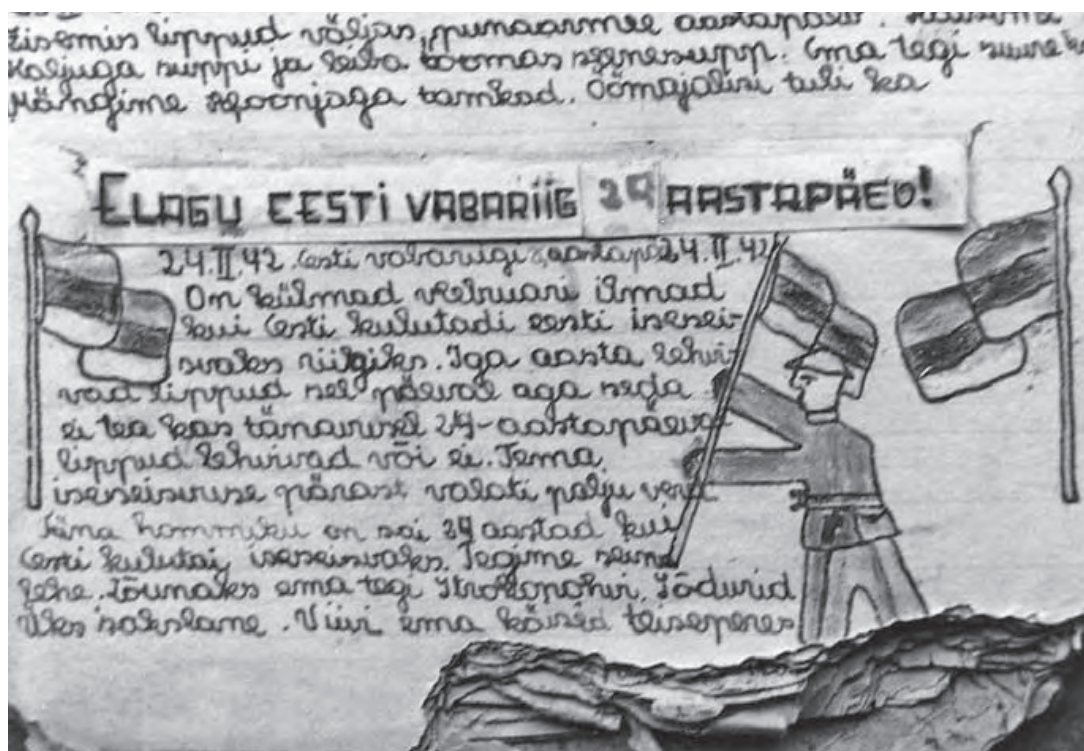
²¹ United States 1954; Smalkais and Vējiņš 2007.

²² Mälksoo 2001; Mälksoo 2007.

²³ Crimes of the Soviet totalitarian regime in Lithuania. Vilnius 2008; Forgotten Soviet War Crime. Vilnius 2007; Estonia 1940–1945. Reports of the Estonian International Commission for the Investigation of Crimes against Humanity. Tallinn 2006.

and documents testify to the difficult fate of the deportees the most shocking of which is the diary of ten year old Rein Vare covering the years 1941–1944. It speaks about deportation, the journey to Siberia and the things that he experienced there. With the gravity of an adult, Rein Vare draws tombstones for his playmates in his diary. A large part of the diary is dedicated to his beloved father, Rein Vare, a schoolteacher from Sausti who by that time had already died of hunger in Isaroskino prison camp. Yet, he lived on in his son's diary. The family's history took a happier turn in 1946 when Rein and his sister were given permission to return to their relatives in Estonia. At that time, their mother's yearning for her children overruled her common sense—she fled from Siberia and tried to follow them, but unfortunately only got as far as Leningrad. Her attempt was followed by arrest and three years in a labour camp. In 1951, Rein Vare, who meanwhile had finished school in Estonia, was arrested again. He was kept in Patarei prison for a few months and then sent back to Siberia. This finally broke him. Although the family managed to return to Estonia by the end of 1958, its members were no longer the people they had been. Rein Vare was utterly embittered and the sunny side of life had disappeared for him. His inability to hold down a job gave way to excessive drinking and, eventually, death in George Orwell's year 1984 in Viljandi where his body was only recovered several days after he had died. His diary, however, was preserved until the day came when this document, which can be compared to the one written by Anne Frank, was published in Estonia.²⁴

The people in the countries occupied by the Nazis or the Soviets continued their fight for freedom during first years of the Second World War. They created exile governments that sustained diplomatic activity and organised resistance movements in their occupied homelands. Western countries did not recognise



Remembering Estonian Day of Independence. From Rein Vare's diary.

²⁴ Laar 2005.

the occupation of the Baltic states and allowed their diplomatic representatives to continue their work in Western capitals.²⁵ All this appeared to be consistent with the tenets of the Atlantic Charter approved by Franklin D. Roosevelt and Winston Churchill at Placentia Bay in August 1941. The Charter affirmed 'the right to restore self-government to nations who have forcibly been deprived thereof.' Four months later, the *Prince of Wales* (the flagship used by Churchill during the summit) was sunk by Japanese dive bombers off the shore of Singapore. The principles of the Atlantic Charter were scuttled only a short while after.²⁶

During the first years of the Second World War, Hitler and Stalin cooperated closely.²⁷ Deliveries and military assistance from the Soviet Union helped Hitler to conquer Western Europe. Stalin even rallied the Communist parties of Western countries against their own governments, in this way supporting Hitler's aggression. Cooperation between two dictators went so far that the Gestapo and the NKVD began to exchange detainees. Stalin delivered German Communists who had escaped to the Soviet Union in the 1930s to Hitler. In 1940, tensions nevertheless began to develop between Hitler and Stalin. Stalin became jealous of Hitler's success in Europe, while Hitler was displeased about Stalin's plans to start a new war with Finland at the end of 1940 and his plans to swallow Romania and take control of Turkey.²⁸ As a result, both sides started to make secret preparations for war. Hitler prepared his 'Barbarossa' plan, while Stalin began preparations for his attack plan 'Groza' (Thunder) to launch a surprise attack against Hitler, with the aim of conquering and subsequently Sovietising all of Western Europe. Overwhelming numbers of Soviet troops, tanks and planes were concentrated on the Western borders of the Soviet Union.²⁹ However, Hitler was faster and attacked at dawn on 22 June 1941. The war between Russia and Germany had started. The German attack took Stalin by surprise: the Soviet forces were surrounded and destroyed moving Hitler to the gates of Moscow.³⁰ The German attack opened the way for Great Britain and later for the United States to join the Soviet Union and restore a modified version of the World War I 'Entente'. Churchill explained Great Britain's decision to support Stalin thus: 'If Hitler invaded hell, [he (Churchill)] would make at least a favourable reference to the devil in the House of Commons.' Massive Western help allowed Stalin to restore the strength of the Red Army faster than Hitler had anticipated.

Early in the war Stalin was clearly eager for an arrangement based on the 1941 borders. He would probably have been willing to trade recognition of these for acceptance by the Eastern European governments in exile with the caveat that the Baltic States remain under Soviet dominance. Unfortunately, the United States had other ideas. Roosevelt preferred to concentrate on the war effort rather than stand against Soviet expansionism. This gave Stalin the opportunity to delay political discussions and seize as much booty as he could. He was not asked to make any concessions as long as the German army was still in the field. Although Churchill understood what was taking place, Great Britain alone was not strong enough to oppose Stalin's creation of a Soviet sphere of influence in Central and Eastern Europe. Consequently, Stalin took what he wanted. Using

²⁵ Mälksoo 2003.

²⁶ Renwick 1996.

²⁷ Davies 2006.

²⁸ Musial 2008, pp. 408–429.

²⁹ Pleshakov 2005.

³⁰ Meltjuhov 2002.

Western support to great effect and overlooking enormous losses, Stalin built the Red Army up into the fighting machine that by 1942–1943 crushed the German army and then pushed it back to the West.³¹

At the Yalta Summit in February 1945, the Western allies accepted Russia's conquests prior to 1941 and put their stamp of approval on the new ones. For the countries that were thus absorbed into the Soviet bloc, this sentence was to last 45 years. Stalin's concession to his allies was a Joint Declaration on Liberated Europe that promised free elections and the establishment of democratic governments in Central and Eastern Europe. As the weeks passed after Yalta, it became increasingly evident that Stalin did not intend to honour the terms of the agreement. Governments in countries conquered by the Red Army were appointed by the Soviet authorities.³² In February 1945, when King Michael of Romania refused to remove the national government from office and replace it with pro-Communist forces, Stalin's representative Vyshinsky arrived personally in Bucharest, hinting bluntly to the King that refusal might mean the end of Romania. The Communists got what they wanted.

The realities of this new order were soon clearer to the captive nations of Central and Eastern Europe than they were to the Western world. For the nations now under the control of the Red Army, the Soviet advance constituted a change from one totalitarian ruler to another. In Central and Eastern Europe, the Red Army was received with mixed feelings at best. In countries that were taken by the Soviet Union as a result of the Molotov-Ribbentrop Pact, the first year of Soviet rule with its brutal terror was such a shock to the people that the traditional hatred of Germans was forgotten and the German army was welcomed as a liberator in West Ukraine and the Baltics in 1941. National armed units were formed to fight the Red Army and national governments declared. These were, nevertheless, crushed by the Germans and people quickly found that there was no difference between Nazis and Communists: both kill people, burn books and are against the independence of smaller nations. So the national resistance movement started, now targeted against both Nazis and Communism. In 1944, when the Red Army was advancing to the West, tens of thousands of men in the Baltics were mobilised by the German Army, including Waffen-SS units, to stop the Red Army's advance to their territories. Under the decisions of the Nuremberg Tribunal, these soldiers were not treated as war criminals and after the end of the war they had the opportunity of staying in the West. So although the Soviets liberated people from the hated Nazis, they also brought subjugation to Stalinism. Looting, rape, violence and terror took place on a horrific scale in the wake of Communist domination. Such acts seriously undermined the authority of the Soviet Union and Communism, giving even local Communists cause for complaint. A report written by Hungarian Communists in Kőbánya and presented to the Soviets in 1945 states that when the Red Army arrived, the soldiers committed a series of sexual crimes in an outbreak of 'mindless, savage hatred run riot. Mothers were raped by drunken soldiers in front of their children and husbands. Girls as young as 12 were dragged from their fathers and raped in succession by 10-15 soldiers and often infected with venereal disease.'³³ The Soviet leadership, however, did not react to these reports. Stalin is reported to have said to the complaining Yugoslav Communist, Milovan Djilas 'Can't he

³¹ Rees 2008; Kissinger 1994, pp. 394–422.

³² Dallas 2005.

³³ Reed and Fisher 1988, 327.



Vae victis! Red Army in conquered Germany. 1945.

understand if a soldier who has crossed thousands of kilometres through blood and fire and death has fun with a woman or takes some trifle?³⁴

Various Central and Eastern European states attempted to free themselves from the Nazis and restore their own independent governments. Since the beginning of 1944, Estonian soldiers had fought alongside the German army to halt the Red Army at the borders of Estonia. When the Germans decided to withdraw their troops from Estonia in September 1944, an independent Government of Estonia was established by the Estonian national resistance movement in Tallinn. The new government declared its neutrality in the German-Russian conflict and turned to the Western powers for help. Estonia never received a reply. They pushed the Germans out, but within three days Soviet tanks arrived and, after hopeless fighting, defeated all efforts to win the country's freedom. Very few members of the government were fortunate enough to escape the country. Once more, the Soviet occupation swallowed up Estonia and the other Baltic countries.³⁵

A similar attempt to win freedom was made in Poland where the prospects for success were even better. A legal Polish government-in-exile and an underground Home Army hoped to crush the Nazis and restore an independent Polish government and administration in Warsaw before the Soviet takeover. As Soviet military units re-entered the suburbs of the capital on 1 August 1944, the Home Army started an uprising against the Nazis. Assailed from all sides, the Germans began to withdraw. Victory seemed within the grasp of the Home

³⁴ Djilas 1962, p. 76.

³⁵ Estonia since 1944. Reports of the Estonian International Commission for the Investigations of Crimes against Humanity. Tallinn 2009.

Map 4

Divided Europe



Army, but Stalin refused any assistance. Instead, the Red Army halted and watched passively from across the river Wisla while the uprising was crushed. Moscow radio, which had urged the Varsovians to revolt, now denounced them as a 'gang of criminals'. Churchill tried to persuade Stalin to help the uprising, but his pleas fell on deaf ears. Moreover, the Soviets were not even ready to support the Western allies who were willing to help the uprising. On 18 August, for example, the Soviets declared that they 'object[ed] to British or American aircraft, after dropping arms in the region of Warsaw, landing on Soviet territory, since the Soviet Government [did] not wish to associate itself either directly or indirectly with the adventure in Warsaw.' Warsaw resisted for 63 days, appealing for help that never came. Then it was over. The surviving inhabitants were evacuated by the Germans and Warsaw was 'razed without a trace.' The Home Army was destroyed with the result that no one was left to challenge the Communists; the Nazis had done the Soviets' work for them. Poland's pre-war Republic was not restored; the surviving leaders of the uprising were hunted down by the KGB, arrested and then killed.³⁶

In 1945, the Red Army moved west seizing new territories. Stalin soon acquired his Western allies' acquiescence to his retention of the territories and countries awarded to him under the Molotov-Ribbentrop Pact: the Baltic States; the Eastern part of Poland; Karelia; the region conquered from Finland and Bessarabia. But his goal was to rule as much of Europe as possible so Stalin pressed the Red Army to the West as quickly as possible, paying no attention to the enormous losses incurred. In April 1945, Churchill advised Eisenhower to take Berlin, Prague and Vienna ahead of the advancing Soviet armies. The Americans refused, still entertaining unrealistic hopes about the possibility of post-war cooperation with Stalin. Concomitantly, Stalin was effectively implementing what he had privately told the Yugoslavian Communist leader, Milovan Djilas 'this war is not as in the past, whoever occupies a territory also imposes on it his own social system. Everyone imposes his own system as far as his army can reach.'³⁷ The Soviet age was arriving in Central and Eastern Europe.

Back to the shadow: the Communist takeover and the Red Terror

The sacrifices made during the Second World War did not bring freedom to Central and Eastern Europe. As Stalin predicted, the social and political systems of the East and West were destined to follow the positions of the occupying army. Military force has in fact been the key to success in almost every Communist takeover in history. Of a total 22 Communist takeovers after 1917, the Red Army played a decisive role in 15 of them, while in the other cases native Communist military forces were used. In this, the Soviets followed the statements of Lenin, Stalin and Mao, according to which 'political power grows out of the barrel of the gun. Anything can grow out of the barrel of the gun.'³⁸ In fact, looking at the fate of Central and Eastern Europe, it may safely be argued that the transformation of the Central and East European countries into totalitarian Communist

³⁶ Davies 2003a.

³⁷ Djilas 1962, pp. 76–80.

³⁸ Legters 1992, p. 3.

states within the span of a few short years could not have been engineered if it had not been for the decisive role played by the Soviet Red Army.

Yet the division of Europe was not decided at once. The Soviet Union was weakened and devastated. Stalin had annexed 272,500 square miles of foreign territory and needed time to purge and prepare them for the Soviet way of life. Most importantly, the Soviets did not yet possess the atomic bomb. Lacking this military might, Stalin had to manage the takeover of Central and Eastern Europe with some caution. Unfortunately, the Western democracies did not understand the situation and therefore failed to use the opportunity to force the Soviet Union back to its pre-war borders. Winston Churchill had seen it coming and had warned the West—but to no avail. When he addressed his people after receiving Germany's surrender, Churchill gave voice to his fears:

On the continent of Europe, we have yet to make sure that the simple and honourable purposes for which we entered the war are not brushed aside or overlooked in the months following our success and that the words freedom, democracy and liberation are not distorted from their true meaning as we have understood them. There would be little use in punishing the Hitlerites for their crimes if law and justice did not rule, and if totalitarian or police governments were to take the place of the German invaders.³⁹

At this time, however, almost nobody understood him. Thus, Stalin was effectively given free rein to do as he pleased in the conquered territories.

For Stalin, post-war Europe was split into four zones. The territories annexed as a result of the Molotov-Ribbentrop Pact—the Baltic states, Eastern Poland and Bessarabia—were to be integrated immediately and completely into the empire. In the zone lying to the west of this, which included Poland, Romania and Bulgaria, he wished to install vassal Communist regimes with a minimum transition period, whilst in the zone lying to the west of this, which included Hungary, Czechoslovakia and Yugoslavia, he reckoned on achieving the same



Cemetery of Lithuanian deportees in the Far North of the USSR.

³⁹ Churchill 1953, pp. 549–550.

goal after an interval of some years. Finally, in the countries of Western Europe proper, he was planning to exert his influence, initially at least, through national Communist parties.⁴⁰ The Soviet zone in Germany had to stay under direct Soviet control until the fate of the country had been decided. Stalin actually met with the leaders of the German Communist Party as early as 4 June 1945 to lay out plans for incorporating a reunified Germany into Moscow's sphere of influence. To achieve this, the Red Army would continue to control the Soviet occupation zone, while the German Communists would seek popular support beyond the reach of Soviet military authority. Using Soviet support, the Communists in the East would have to merge with the Social Democrats and from this base, develop contacts with West German Social Democrats, then bring them over to their camp with the promise of a unified Germany.⁴¹ The future of Austria and Finland was unresolved—Stalin did not have anything against the Sovietisation of these countries too, but understood that it would not be easy. Rather, he seemed to be more interested in gaining control of Iran and Turkey, both of which came under intense Soviet pressure during this period.

Consequently, in the immediate post-war years (1945–1947), Stalin insisted on direct control above all in the Soviet zone of Germany, the Baltics and the other territories he had conquered as a result of the Molotov-Ribbentrop Pact. The main means of control was direct and open terror against the population as a whole, which sought from the beginning to wipe out even the most minor attempts to resist Soviet power. Within its occupation zone, the Soviet police and state security services detained approximately 154,000 Germans and 35,000 foreigners in ten so-called 'special internment camps' between 1945–1950⁴² A third of these internees—a total of 63,000 people—died in captivity, most of hunger or disease. The Soviets declared that the people interned in these camps were mainly NSDAP (Nazi Party) functionaries but in actual fact, in the infamous Buchenwald camp, for example, only 40–50% of the detainees were former Nazis. In addition to this, Soviet military tribunals condemned around 35,000 German civilians to long camp sentences in most cases. The majority of verdicts were meted out for 'crimes' against the Soviet occupying power according to paragraph 58 of the criminal code of the Russian Socialist Federal Soviet Republic (RSFSR). Soviet military courts also pronounced at least 1,963 death sentences and no less than 1,201 of these were carried out.⁴³

The terror was even more intense in the countries formally integrated into the Soviet Union in 1940; as a result of the Soviet occupation, Estonia lost 25–30% of its original population in the period between 1940 and 1955. Hundreds of thousands of Estonians were killed, arrested or deported to Siberia. The same happened to the citizens of the other Baltic countries. During the night of 26 March 1949, 20,722 Estonians, 43,230 Latvians and 33,500 Lithuanians were deported to the eastern territories of the Soviet Union. Taimi Kreitsberg, who managed to escape from the deportation officials, recalled as follows:

I lived at my friends' place until my brothers were arrested, then they did not dare to put me up any more. What could I do, where could I go? I came to Varstu village *soviet* to notify about myself. There I was arrested

⁴⁰ Lundestad 1998, pp. 435–450.

⁴¹ Gaddis 1997, p. 116.

⁴² A Handbook of the Communist Security Apparatus in East Central Europe 1944–1989. Institute of National Remembrance. Warsaw 2005, p. 203.

⁴³ Handbook 2005, p. 208.

immediately. They took me to Antsla security department, where I saw the informer Hillar Roomus. In Antsla they questioned me—the record of the interrogation was written on the table, I had to sit on the floor, under the table. Then they took me to Võru, I was not beaten there, but for three days and nights I was given neither food nor drink. They told me they were not going to kill me, but torture me [until] I betrayed all the bandits. For about a month they dragged me through woods and took me to farms that were owned by the relatives of Forest Brothers, and they sent me in as an instigator to ask for food and shelter while the Chekists themselves waited outside. I told people to drive me away, as I had been sent by the security organs. Finally, they realised that I was of no use to them and handed me over to the Russian soldiers to be raped. I was not even sixteen at that time.

Deportations and massive arrests continued into the 1950s. Altogether, Latvia lost 340 000 and Lithuania, 780 000 people as a result of the deportations or other persecutions.⁴⁴ A large Soviet military garrison and the continued influx of Russian-speaking colonists, who acted like a ‘civilian garrison’, replaced the lost populations. The goal of this migration was to transform the indigenous people of the conquered nation into a minority within their own homeland. In 1989, native Latvians represented only 52% of the population of their own country. In Estonia, the figure was 62%. In Lithuania, the situation was better because the colonists sent to that country actually moved to the former area of Eastern Prussia (now Kaliningrad) which, contrary to the original plans, never became part of Lithuania.⁴⁵

In the other Central and East European countries, so-called ‘people’s democracies’ were established with Soviet-dominated governments which, with assistance from the KGB and its local counterparts, destroyed democratic opposition in the conquered countries. As usual, the first step was open terror against the ‘enemies of the state’ whose ranks could include anyone, not only collaborators of former regimes. The goal of such terror was to introduce of an atmos-



Estonian freedom fighters killed by the NKVD forces.

⁴⁴ Kukk 2007.

⁴⁵ Misiunas and Taagepera 1983.

phere of a absolute fear that sought from the very beginning to destroy any desire to resist Soviet power. This was mostly done in close cooperation with the Soviet security apparatus. In Poland, for example, the Peoples' Commissariat for Internal Affairs (NKVD) had its own jails and camps. Between 1944–1946, various Soviet units held around 47,000 people, a quarter of them Polish underground fighters. In the spring of 1945 about 15,000 Silesian miners were sent to the mines in the Donetsk area of the USSR. To combat resistance movements, tens of thousands people were arrested. In the first 10 months of 1947 alone, nearly 33,000 people accused of 'banditry' were arrested and 10,500 sentenced. In order to liquidate the Ukrainian underground units, all Ukrainians from the combat area—140,000 people—were resettled in the former German territories of Northern and Western Poland.⁴⁶ During 1944–1945, the courts passed around 8,000 death sentences 3,100 of which were carried out. This figure probably does not represent the actual number of people executed as in 1944–1946 hundreds of summary executions were carried out on the spot by firing squads.⁴⁷ Between 1945 and 1950, almost 60,000 individuals were hauled before 'people's tribunals' in Hungary, 27,000 of whom were found guilty, 10,000 given prison sentences and 477 condemned to death, although only 189 were executed.⁴⁸ In Bulgaria, after the occupation of the country by the Red Army, between 2,000 and 5,000 people were killed intentionally and without any legal basis. In 1944–1945, so-called 'People's Courts' pronounced 9,115 verdicts with 2,730 people sentenced to death. The first concentration camp began functioning as early as the end of September 1944 in the village of Zeleni Doli. Several such camps were subsequently established. As of September 1951, over 4,500 people were held in these labour camps. Another figure that should be added to the labour camp statistics is that of the forced labour mobilisations and the internment and relocation of families. In 1945–1953, 24,624 people were forcefully relocated or interned.⁴⁹

The same tactics were used even in countries not under the direct control of the Red Army, such as Yugoslavia, where already at an early stage in the war Communist partisans were not only fighting against the Germans, but also against their 'class enemies', executing their opponents and those they identified as 'kulaks'. After the end of the war, terror reached massive proportions. Tens of thousands of members of civilian population, as well as members of different military units, fought against the Communists and escaped from Yugoslavia to Austria during the last days of the war where they surrendered to British forces. On the Austrian border in Bleiburg, however, British forces did not accept the surrender and forced the refugees back across the border and into the hands of the Yugoslavian Communists. These refugees were then subjected to forced marches over long distances under inhumane conditions and any survivors were killed in the series of massacres known as the 'Bleiburg massacre'. Afterwards, many gravesites were destroyed by explosions, covered in waste or built over. The exact number of victims is not known; most estimations vary between 15,000 and 80,000 unarmed soldiers and civilians.⁵⁰

The next wave of terror was targeted against the opposition. For example, the democratic opposition in Poland was headed by the Peasant Party whose leader, Stanisław Mikołajczyk, was undermined by the Communists who arrested, tor-

⁴⁶ Handbook 2005, p. 263.

⁴⁷ Handbook 2005, p. 273.

⁴⁸ Romsics 1999, p. 227.

⁴⁹ Handbook 2005, pp. 74–75.

⁵⁰ Corsellis and Ferrar 2005.



Prisoners of war killed by communist partisans in May 1945 near Lesce in 2008.

tured and killed members of the wartime resistance, and harassed non-Communist political parties and civil organisations. In a free election, Mikołajczyk would most certainly have won a sweeping victory. However, free elections were repeatedly postponed.⁵¹ The absence of an effective Western policy in Poland made it increasingly possible for the NKVD to terrorise the democratic opposition. From 1946 to 1948, military courts sentenced 32,477 people, most of them members of democratic parties for ‘crimes against the state’.⁵² Only then the elections were held. In order to be sure that the elections would produce the ‘correct’ results, the Polish security apparatus recruited 47% of the members of electoral committees as agents.⁵³ In 1947, after the manipulated elections formalised the liquidation of his party, Mikołajczyk escaped abroad and the Communist takeover was complete.

In Hungary, the situation was even more complicated for the Communists. They were soundly defeated in the relatively free elections held in November 1944, polling only 17% of the votes against 57% for the Smallholders’ (Peasant) Party. The Communist response was to intensify terror and to sponsor the coalition of ‘democratic’ parties against the ‘reactionary’ smallholders. In 1947, the Communists put pressure on the Prime Minister to resign and increased their intimidation of the opposition. In the rigged elections in August, the Leftist bloc polled 60% of the votes and were then quick to finalise their takeover. The peasants were also a problem for the Communists in Bulgaria where their main opponent was the Agrarian party. Even when the Communists could thanks to Soviet pressure control the government, opposition to them was loud and active. Unfortunately, it did not receive any real support from the West. Understanding this, the Communists arrested the leader of the parliamentary opposition, Nikola Petkov, in 1947, sentenced him to death and subsequently executed him. The Agrarian Union, with its 150,000 members, was banned and many of its activists arrested. After the destruction of Petkov, the Communists moved

⁵¹ Paczkowski 2003, pp. 146–197.

⁵² Handbook 2005, p. 271.

⁵³ Handbook 2005, p. 255.

quickly to consolidate a full takeover, passing the new 'Stalinist' constitution and liquidating the last signs of democracy.

The Communists also had a difficult start in Romania. There, the inter-war political elite had removed the regime of Marshal Ion Antonescu in August 1944, moving back to democracy and suing for peace from the United Nations. Consequently, when Soviet troops entered Bucharest they found working democratic institutions there. But this did not stop Stalin. Taking advantage of the naiveté of their Western Allies, Soviet representatives succeeded in gaining strong representation for the Communists in the government, who then undermined the authority of democratic parties and institutions and ultimately gained full control of the government. King Michael tried to resist, but no help was forthcoming from the West. After the fraudulent elections of 1947, the Communists gained full control in Romania and the king was forced to leave.

In Germany, the Communists experienced only partial success. With the help of the Soviet authorities, the Red Army and the Soviet secret police worked together to destroy any attempts to resist Sovietisation, the Communists were quick to assert their control over the Soviet zone of occupation. The leaders of the non-Communist political parties disappeared into the NKVD torture chambers, with some of them even being kidnapped from West Berlin. One card that Stalin intended to play in Germany was that of German nationalism. To convince the Germans in the East and West, he was even ready to rehabilitate the Nazis in Germany. As Molotov recalled, 'he saw how Hitler managed to organise [the] German people. Hitler led his people, and we felt it in the way the Germans fought during the war.' In January 1947, Stalin asked the German Communists, 'are there many Nazi elements in Germany?' And advised them to supplant the policy of elimination of Nazi collaborators '[with] a different one — aimed [at attracting] them'. The former Nazi activists should, he considered, be allowed to organise their own party, one which would operate in the same block as the Socialist Unity Party of Germany (SED) and which would even have its own newspaper. 'There were ten million members in the Nazi Party overall and they all had families, friends and acquaintances. This is a big number. How long should we ignore their concerns?' Stalin asked.⁵⁴ However, Stalin's attempts to create an anti-Western balance in German politics failed. Memories of Soviet atrocities and the destruction of the country were too fresh, leading Germans outside of the Soviet occupation zone decisively to reject all attempts of Communist takeover. In elections to the Berlin City Council, pro-Communist forces were soundly defeated. It became increasingly clear that Communist authority relied solely on the bayonets of the Red Army. Ultimately then, Stalin had to give up his hopes of a united Germany allied against the West and accept instead the establishment of a socialist state in the Eastern part of Germany in 1949.⁵⁵ The formation of the German Democratic Republic (GDR) coincided with the complete rehabilitation of the former Nazis as well as the officers of the Wehrmacht in the Soviet occupation zone.⁵⁶

Czechoslovakia was the last country to fall victim to Communism in Central and Eastern Europe. For some time, it looked as though the country might be able to continue its democratic development. There was no Red Army on Czechoslovakian soil and it was also the only Central European country in which the Soviets accepted the return of the former president. After the war, President

⁵⁴ Zubok 2007, pp. 70–71.

⁵⁵ Adomeit 1998, pp. 57–87.

⁵⁶ Zubok 2007, p. 71.

Beneš still seemed to be in charge of affairs. At the same time, Soviet prestige was high and the Communists were popular. In the elections held in 1946, the Communists polled 38% of the votes and proceeded to build coalitions with other parties in the government. By exercising control in the government, the police and the army, the Communists consolidated their influence within the country. In July 1947, Moscow demanded in the most brutal way that Czechoslovakia change its decision to accept American Marshall Aid. The Foreign Minister, Jan Masaryk, the son of the founder of the Czechoslovakian Republic, likened the decision to a second Munich. This decreased the popularity of the Communists, with public polls demonstrating that their popularity had fallen to 25%. Now the Communists started to arm their supporters, moving in the direction of a full takeover of power. The Soviet deputy minister, Zorin, declared that Moscow would not allow any Western interference, while at the same time Soviet units were concentrated on Czechoslovakia's borders. President Beneš, fearing civil war and Soviet intervention, accepted the Communists' demands for a new administration. The Foreign Minister, Jan Masaryk fell to his death from his office window, having almost been certainly pushed by a Communist mob. Beneš resigned and Czechoslovakia was thereafter firmly embedded in the Soviet camp.⁵⁷

Czechoslovakia's fate demonstrates that it is not fair to blame the Red Army alone for the collapse of democracy in Central and Eastern Europe. An important part in this was also played by the naiveté and ignorance of Western democracies concerning events in Central and Eastern Europe, and the weakness of democratic traditions and democratic political parties in that region. The states and societies of Central and Eastern Europe were often poorly integrated, there were segments of society with no commitment to the state; civil society and political competition were weak and often the population had become habituated to authoritarian and state interventionism. These factors were exacerbated by the impact of the war and Nazi terror, which destroyed the cornerstones of society as most former leading politicians were forced into exile or killed. In this situation it was easy for the Communists to present themselves as the only effective force capable of filling the power vacuum. According to George Schöpflin, the non-Communist politicians were also part of the failure. Schöpflin writes that 'they were indeed victims, but they contributed to their own marginalisation knowingly and, to a greater extent, unknowingly'.⁵⁸ They lacked political skills and were too uncertain to summon the determination to face down the Communists. They tended to see the Soviet occupation as a definitive and incalculable constraint in the face of which they were helpless. It is possible that even stronger opposition to Communism would have ended in the same way; nevertheless, the flaws of the non-Communist opposition made the Communist's triumph easier than it might otherwise have been, breaking as it did something in people's souls. Schöpflin also asks why a surprisingly large part of the population was prepared to cooperate with the Communists in the 1940s, hinting at the rapid growth in the membership of Central and Eastern European Communist parties after the Second World War. It can be linked to the use of nationalist, anti-German feelings and growing radicalisation. The Communists also opened the way for the new 'elites' to emerge, supporting the development of a large state bureaucracy. The number of administrators in Poland, for example, increased from 172,000 before the war to 362,400 in 1955.

⁵⁷ Mastny 1996, pp. 41–42.

⁵⁸ Schöpflin 1993, pp. 70–71.

It is at the same time often forgotten that there were at least two other countries that almost suffered the same fate at Stalin's hands as the countries of Central and Eastern Europe; namely, Austria and Finland. What saved these countries from Communist domination has not yet been the subject of sufficient research – what is clear, however, is that it was not Stalin's kindness. Stalin was furious when pro-Communist forces were defeated in the Austrian post-war elections in 1945. In Finland, his goal was first to push pro-Communist forces into the government and then move towards a takeover, although these plans ultimately failed. There were in fact several reasons why Austria and Finland were saved. One of them was that Finland was defeated in the Second World War, but not conquered. Even as the Soviet presence was symbolised by their control of the Porkkala military base and by the Allied Control Commission run by the Soviet representative, Andrei Zhdanov, the Finnish army was clearly still in charge. Within society, there was a strong will to resist any Soviet takeover. In order to prepare for a possible partisan war against the Soviets, national activists hid large amounts of weapons in special stores. The Finnish democratic system had survived the war, political parties were strong and organised, and the Social Democrats capable of resisting Communist attempts to gain control over the trade unions. In 1948, Stalin nevertheless tried to force Finland onto the same route as Czechoslovakia. In February 1948, at the same time as Czechoslovakia's fate was being sealed, Stalin demanded that Finland send a delegation to Moscow to conclude a 'dependence' pact similar to those he had signed with the new satellites. To make matters worse, the Norwegian foreign minister also received warnings that a Soviet request for a similar kind of treaty might be forthcoming. A month earlier, Stalin had expressed regret to visitors that he had not occupied Finland after the war out of 'too much regard for the Americans.' Now he seemed intent on rectifying that mistake, allowing the prominent Finnish Communist, Hertta Kuusinen, to declare publicly that Czechoslovakia's road 'must be our road'.⁵⁹ But when the Finnish Communists tried to use the same tactics that had worked so well in Czechoslovakia, they found President Paasikivi to be very different to President Beneš. Paasikivi concentrated his armed forces on the capital and united all the political parties against the Communists. Any attempt at a takeover failed before it had even started and the Communists were heavily defeated in the next parliamentary elections.⁶⁰ In Austria, the presence of Western forces played a significant role in undermining Soviet efforts, as did the strength of the Austrian Social Democrats, who crushed the Communists' attempts to take over Austrian trade unions. As a result, the so-called 'October strikes' organised by the Communists in 1950 failed and Soviet leaders had to reject the Austrian Communists' proposal to divide Austria into two parts, as had been done in Germany. Austrian democracy proved to be stronger than Communist pressure.

The loss of Austria and Finland did not, however, trouble Stalin too greatly – he had enough work to do to accomplish in his new Communist world system. On the orders of the Kremlin in 1947–1948, Central and Eastern Europe entered a new Stalinist phase, which lasted until 1953. All pretences were discarded as Central and Eastern European countries were pushed to outright Sovietisation. Within a few years, all Central and Eastern European countries were forced to accept the political system then prevalent in the USSR. Institutional and ideological uniformity was demanded. All chinks in the armour of the Iron Curtain

⁵⁹ Mastny 1996, pp. 42–43.

⁶⁰ Seppinen 2008.

were to be sealed against Western influence. The Communists took power into their own hands. Pluralism and the last vestiges of democracy vanished. The independent press and public organisations were closed down and civil society was abolished. All the main features of Stalinism were to be ruthlessly enforced wherever they did not already exist. The only feature of pre-war democracy that survived in Central Europe was the empty shell of the multi-party system—completely controlled by the Communists, of course.

The most obvious sign of Stalinism was the intensification of terror. This was manifested in an ongoing series of public and secret trials that adjudicated allegations of economic sabotage by former underground leaders in Poland and the 'White Legion' in Czechoslovakia. In the 1950s, for example, 244 people were executed on political charges in Czechoslovakia and a further 8,500 died as a result of torture or in prison. A minimum of 100,000 people were imprisoned for acts against the Communist state between 1948 and 1956. In Poland, repression affected no less than 350,000 to 400,000 people in the period leading up to 1956. Military courts alone sentenced 70,097 people for 'crimes against the state' between 1944 and 1953. Due to the extremely harsh conditions, about 20,000 prisoners died.⁶¹ In Romania, five massive arrest campaigns were launched in 1947, targeting opposition parties sympathisers and supporters. More than 100,000 people were to become victims of these actions. The leaders of opposition parties were arrested and condemned for 'national treason'. The families of arrested persons were deprived of the most elementary means of survival and deported or administratively confined. In 1951, 417,916 people were kept



Prison for political prisoners in Sighet, Romania.

⁶¹ Handbook 2005, pp. 34, 271–273.

under surveillance, 5401 of whom were arrested for 'hostile activity'.⁶² In East Germany, a new wave of repression was connected with the establishment of the German Democratic Republic. As a result of the dissolution of Soviet internment camps, around 5,000 people condemned by Soviet military tribunals were released and 10,000 ended up in East German prisons. A bigger wave of political arrests took place between 1952 and 1953 as a result of the 'intensification of the class struggle.'

The growing number of arrests throughout the region resulted in the establishment of a system of concentration camps. In the early 1950s, there were 422 concentration camps in Czechoslovakia⁶³ in which people were held under gruesome conditions. In 1950, the number of prisoners in such camps amounted to 32,638 men and women. Zbigniew Brzezinski identified 199 in Hungary and 97 in Poland. Many Central and Eastern European people were arrested by the Soviet authorities, interrogated, sentenced in the Soviet Union and sent to the GULAG. Some Central and Eastern European countries had their own 'Siberia' as well: the Danube-Black Sea Canal project in Romania employed prisoners and deported persons; in Poland, special units made up of political prisoners mined the most deadly coal shafts in Silesia; in Czechoslovakia, prisoners were sent to work in uranium mines—in December 1953, the number of people working there reached 16,100.⁶⁴

Another typical feature of Stalinism were the purges of the Communist parties in the conquered countries; the most violent of these took place in Bulgaria, Hungary and Czechoslovakia. According to Brzezinski, an average of one out of every four party members was purged in each of the East European parties.⁶⁵ In Bulgaria, for example, nearly 100,000 Communist Party members were under investigation between 1948 and 1953, many of them were imprisoned and some executed. Such purges were also organised in the Soviet Union's 'new territories'. In Estonia, a campaign was launched against the 'bourgeois nationalists' in 1950-1951; a number of leading Estonian Communists were removed from their positions and several of them were arrested and sent to the Siberian prison camps. The campaign also hit cultural circles. Most of the members of the Academy of Sciences were dismissed and creative unions underwent serious 'clean-ups'. Repression was so severe that almost no new Estonian literature appeared from 1950 to 1952.⁶⁶

In addition to rank-and-file member purges, prominent Communists were also purged and some of them were subjected to public show trials. One of Stalin's trustees in the region, Bulgarian leader Gheorghji Dimitrov, announced, 'it doesn't matter what someone's services and merits might have been in the past. We shall expel from the party and punish anyone who deserves it, no matter who he might have been once upon a time.' The show trials were mostly instigated and sometimes orchestrated by the Kremlin or even Stalin himself, as they had been in the earlier Moscow Trials. These high-ranking party show trials included those of Koçi Xoxe in Albania and Traicho Kostov in Bulgaria, who were purged, arrested and executed. In Romania, Lucrețiu Pătrășcanu, Ana Pauker and Vasile Luca were arrested and Pătrășcanu later executed. Stalin's NKVD emissary coordinated with Hungarian General Secretary, Mátyás Rákosi, in or-

⁶² Handbook 2005, p. 305.

⁶³ Handbook 2005, p. 133.

⁶⁴ Handbook 2005, pp. 136–137.

⁶⁵ Brzezinski 1961, pp. 91-97.

⁶⁶ Estonia since 1944 2009, pp. 113–151.

der to determine how the show trial of the Hungarian Foreign Minister László Rajk, who was later executed, should play out. The Rajk trials led Moscow to warn Czechoslovakia's parties that enemy agents had penetrated high into the party ranks and when the puzzled Czech Communist leaders Rudolf Slánský and Klement Gottwald enquired as to what they could do, Stalin's NKVD agents arrived to help prepare trials. The Czechoslovakian party subsequently arrested Slánský himself, Vladimír Clementis, Ladislav Novomeský and Gustáv Husák. Slánský, and eleven others together with Slansky were convicted of being 'Trotskyist-Zionist-Titoist-bourgeois-nationalist traitors' in one series of show trials, after which they were executed and their ashes mixed with material being used to fill roads on the outskirts of Prague. After the trials, the property of the victims was sold off cheaply to surviving prominent individuals; the wife of a future leader of the party, Antonín Novotný, bought Clementis' china and bedclothes. The Soviets generally directed show trial methods throughout the Eastern Bloc, including a procedure whereby any means could be used to extract confessions and evidence from leading witnesses, including threats to torture the witnesses' wives and children. Generally, the higher the rank of the party member, the harsher the torture that was inflicted upon him. In the case of the show trial of the Hungarian Interior Minister, János Kádár, who one year earlier had attempted to force a confession out of Rajk in his show trial, he was badly beaten and then 'two henchmen pried Kádár's teeth apart, and the colonel, negligently, as if this were the most natural thing in the world, urinated into his mouth'. As in Moscow in 1937, the trials were 'shows', with each participant having to learn a script and conduct repeated rehearsals before the performance. In the Slánský trial, when the judge skipped one of the scripted questions, the better-rehearsed Slánský answered the one which should have been asked. Some years earlier, most of the people now on trial had themselves eliminated their political opponents, tortured and killed people, and therefore knew exactly what awaited them. This made them ready to play their 'roles' in the trials. The only exception was the popular Bulgarian Communist, Kostov, who retracted his confession and refused to admit his guilt. The public broadcast went silent and the trial was finished without Kostov. In Poland, Romania and the GDR, where the Communist parties were less well established, the purges were less severe.⁶⁷

Stalin used Yugoslavia, where the local Communists had split with Moscow and gone their own way, as an excuse for the purges. Even though some tensions were felt between Moscow and the independent-minded Yugoslavian partisan leaders during the initial years of the Second World War, Tito was a good pupil of Stalin's in the immediate aftermath of the Communist takeover. The Soviets took the Yugoslavian economy under control, pressing Yugoslavia to sell goods to the Soviet Union at low prices which might, in an open market, have fetched high prices in hard currencies. Moscow, in its assumptions of economic and cultural dominance, and in its efforts to infiltrate its agents into the Yugoslavian Communist Party, assumed that it should treat Yugoslavia no differently from the other satellite countries.⁶⁸ They were wrong. The Yugoslavian leaders felt themselves to be strong; they did not need the Soviet Union to stay in power and were not ready to buckle to Soviet authority. Soviet-Yugoslavian relations deteriorated quickly and in 1948, the Yugoslavian Communist Party was expelled from the Cominform. Stalin ordered his satellite countries to start preparations for the military invasion of Yugoslavia. The assumption in Mos-

⁶⁷ Crampton 1997, pp. 261-266.

⁶⁸ Gyorgy and Rakowska-Harmstone 1979, pp. 213-244.

cow was that once it was known that he had lost Soviet approval, Tito would collapse; 'I will shake my little finger and there will be no more Tito,' Stalin remarked. However, as Khrushchev was reported to have said afterwards, 'Stalin could shake his finger or any other part of his anatomy he liked, but it made no difference to Tito.' Tito quickly eradicated any Soviet-supported opposition in his party, arresting and executing many of them and interning thousands of people in a fearsome concentration camp established on the island of Goli Otok. Tito turned for help to Western powers who were immediately ready to include Yugoslavia in their assistance programmes. As Stalin's attempts to bring down Tito repeatedly ended in failure, the Soviet-Yugoslavia split became a heavy blow to Stalin's authority.⁶⁹

In order to combat the Western conspiracy and 'Titoism', all spheres of public and, as far as was possible, individual life had to be brought under the control of the Communist party and the secret police. Civic and political liberties were abolished, church and religion suppressed. For the Communists, the Church was one of the major obstacles to the imposition of the Soviet model and so its influence had to be eradicated.⁷⁰ Some churches were actually more equal than others, in particular the Russian Orthodox Church that had been purged by Stalin decades earlier and brought under absolute control. At the same time the most active measures were taken against the Uniate Church and Constantinople Orthodox churches. The Uniate church was totally abolished in Ukraine and suppressed with particular force in Romania. Any priests or bishops who refused to sign their acceptance of a merger with the Orthodox Church was arrested and some of them were gunned down.⁷¹ In 1948, the Communist regime passed a law pushing for the dissolution of the Eastern-Rite Catholic Church. In Bulgaria, the first purge of the Orthodox Church came in 1948, when the head of the church was forced to retire into 'voluntary exile'. In 1949, representatives of the Evangelist Church were sentenced to life imprisonment while in 1952, several trials were held against 'agents from the Vatican', with many Catholic priests being imprisoned and four of them executed.⁷²

The Catholic Church was also actively persecuted in Poland, Czechoslovakia and Hungary. The Communists' strategy was simple: first, break Church's institutional network and cut its lifeline to Rome, then undermine its control through a combination of legal restrictions and infiltration of whatever remained. In Czechoslovakia, Archbishop Josef Beran, one of the leaders of the anti-Nazi resistance who had survived three years in Nazi concentration camps and all the other bishops in the country were interned or imprisoned. Religious seminars were closed and orders banned, the Church's schools were closed and its land holdings confiscated.⁷³ In Poland in 1953, the Communists went so far as to confer upon the state the authority to appoint and remove both priests and bishops. Cardinal Primate Wyszyński refused to obey and protested the order, which led to his arrest. By the end of 1955, over 2,000 Catholic activists, among them 8 bishops and 900 priests, were imprisoned.⁷⁴ The same also happened in Hungary, where leaders of the Catholic Church were imprisoned. The 58-year

⁶⁹ Mastny, pp. 30-40; Crampton, pp. 247-261.

⁷⁰ Weigel 1992.

⁷¹ Handbook, p. 306.

⁷² Handbook, p. 73.

⁷³ Weigel 1992, pp. 166-170.

⁷⁴ Kemp-Welch 2008, pp. 44-46.

old Cardinal-Primate of Hungary, József Mindszenty, has recalled how he was tortured by the Communists:

‘The tormentor raged, roared and in response to my silence took the instruments of torture into his hands. This time he held a truncheon in one hand, a long sharp knife in the other. And then he drove me like a horse, forcing me to trot and gallop. The truncheon lashed down on my back repeatedly—for some time without a pause. Then we stood still and he brutally threatened: “I’ll kill you, by morning I’ll tear you to pieces and throw the remains of your corpse to the dogs or into the canal. We are the masters here now”.’⁷⁵

All aspects of cultural life were also brought under strict control and subject to censorship. The only official model of art—literature, painting and sculpture—was what which conformed to the Marxist canon. Artists of that period were obliged to follow the rules of socialist realism. ‘Decadent’ Western culture was prohibited, as was jazz or rock music. Intellectuals were closely scrutinised and controlled by the secret police and each work of art was evaluated and censored on the basis of its compliance with the official canon. Just as in Nazi Germany, works deemed ‘inappropriate’ were either destroyed—books were burned or pulped, as paper was valuable—or their distribution was forbidden. All media were subjected to such a high level of censorship that they were reduced to a position from which they could only reinforce the power of the Communist Party.

Following the Soviet example, forceful collectivisation of agriculture was introduced across Central and Eastern Europe, with the sole exception of Yugoslavia. As free peasants resisted collectivisation, open terror was needed to ‘convince’ the farmers to join collective farms. In 1949, collectivisation was carried out forcefully in the Baltic countries in the wake of major deportations. The results for agriculture were disastrous. In Estonia, for example, agricultural production decreased by 9.3% between 1951 and 1955, in comparison with the relatively modest results of 1946–1950. By 1955, the average grain yield had fallen to nearly half the pre-war level.⁷⁶ Productivity in agriculture actually decreased in all of the countries that had fallen under the shadow of forced collectivisation. Here, Stalin had to learn from his own sad experience. The forced collectivisation of agriculture had had catastrophic results for the Soviet Union, turning Russia from an exporter into one of largest importers of food. As a result of forced collectivisation in the decade between 1928 and 1938, the productivity of Soviet agriculture fell by 25% in comparison with the ‘inertia scenario’ in which nothing had changed. The grain harvest did not reach 1925–1929 levels again until 1950–1954. Nothing like this had ever happened in the history of modern economic growth.⁷⁷ (Table 2)

But Stalin did not want to learn. For him, collectivisation was needed not for the economy, but for politics—private property was one of the archenemies of the Soviet system. Thus, collectivisation had to be carried out regardless of the costs. In Romania, resistance to collectivisation ended in 1949 with the arrest of some 80,000 peasants, 30,000 of whom were tried in public.⁷⁸ In Hungary, the first serious attempt at collectivisation was undertaken in July 1948. Both

⁷⁵ Weigel 1992, p. 222.

⁷⁶ Misiunas, Taagepera 1993, pp. 156–170.

⁷⁷ Gaidar 2007, p. 83.

⁷⁸ Handbook, p. 305.

Table 2

Grain Exported by Russia in the Early Twentieth Century and Grain Imports by the USSR in the Late Twentieth Century

Exports/Imports	Share (percent)	Global ranking
Global grain exports, 1907–13	45.0	1
Global grain imports, 1980–90	16.4	1

Source: Calculations based on data in B. R. Mitchell, *International History Statistics: Europe 1750–1993* (London: Macmillan Reference 1998); B. R. Mitchell, *International History Statistics: The Americas 1750–1993* (London: Macmillan Reference 1998); B. R. Mitchell, *International History Statistics: Africa, Asia & Oceania 1750–1993* (London: Macmillan Reference 1998); UN Food and Agriculture Organization, FAOSTAT data, 2004.

economic and direct police pressure were used to coerce peasants into joining cooperatives, but large numbers opted instead to leave their villages. In the early 1950s, only a quarter of peasants had agreed to join cooperatives. By 1953, between 3 and 3.5 million hectares of arable land were uncultivated and 400,000 peasants had been fined. In Czechoslovakia, farms started to be collectivised more intensively after the Communist takeover in 1948, mostly under the threat of sanctions. The most obstinate farmers were persecuted and imprisoned. Many early cooperatives collapsed and were recreated again. Their productivity was low because they failed to provide adequate compensation for work, moreover, they failed to create a sense of collective ownership; small-scale pilfering was common, and food became scarce. Poland too saw active resistance to collectivisation, where it developed very slowly.⁷⁹ In 1952, a collectivisation campaign was launched in East Germany, leading to the collapse of agriculture and a massive exodus of farmers to West Germany. From January 1951 to April 1953, almost half a million people left East Germany. The farmers who remained were disinclined to do more than produce for their own needs because fixed procurement prices meant little profit. Thus, by the summer of 1953, East German agriculture had entered a real crisis, necessitating extraordinary help from the Soviet Union. (Table 3)

The situation was no better in other sectors of the economy that were first nationalised and then mismanaged. Under Soviet influence, totally unrealistic goals were set—among them ‘catching up and overtaking’ the developed capitalist states in per capita performance in all of the major production lines during a short period of time. The Soviet leadership demanded that the Central and Eastern European countries shift the orientation and structure of their production and export trade toward the East; a rapid increase in heavy industry output and massive deliveries of its products to other socialist countries, the USSR in particular. The result was that these countries started to build up certain industries, even when they lacked the necessary resources and materials for this. For example, an aluminium smelting plant at Zvornik in Yugoslavia was proudly displayed as the largest in Europe, yet it never made a cent of profit. The expansion of heavy industry was pushed at the expense of the development of all other productive and non-productive sectors of the economy, such as agriculture or light industry. The result was the growing inefficiency of production, the failure to modernise production technology and a drop in the effectiveness of foreign trade. People were subjected to a depressed rate of growth in the standard of living, mounting shortages of goods and insufficient service facilities. ‘We

⁷⁹ Janos 2000, pp. 248–249.

Table 3

Collectivisation in Central and Eastern Europe.

(% of arable land)

Country	Year	Collective	State	Private
Albania	1953	7.1	-	-
	1960	69.5	9.0	21.5
	1970	85.2	14.1	0.7
Bulgaria	1953	51.7	-	-
	1960	79.9	10.9	9.2
	1970	68.0	21.3	10.7
Czechoslovakia	1953	40.0	-	-
	1960	62.1	20.4	17.5
	1970	55.7	29.4	14.9
GDR	1953	-	-	-
	1960	72.8	8.1	19.1
	1970	78.2	8.1	13.7
Hungary	1953	20.0	13.0	-
	1960	48.6	19.3	32.1
	1970	67.6	15.3	17.1
Poland	1953	7.2	-	-
	1960	1.1	11.6	87.3
	1970	1.2	14.4	84.4
Romania	1953	10.0	7.7	-
	1960	50.2	29.3	20.5
	1970	54.1	30.1	15.8
Yugoslavia	1957	3.5	5.9	-
	1960	5.7	5.4	88.9
	1970	5.0	12.4	82.6

Sources: Wädekin 1982, 85-86; Sanders 1958, 72, 81, 99, 105, 145, 147; Hoffmak and Neal 1962, 273.

have really screwed up, everybody hates us,' the young Budapest police chief, Kopacsi, was told by an older Communist comrade on his return to his home town in the early 1950s.⁸⁰

In sum, we can conclude that Stalinism in Central and Eastern Europe was a complete failure. Robin Okey argues that Stalinism bequeathed Communist regimes a kind of original sin that might be overlooked, even forgotten in subsequent periods, but which told powerfully against the Communists in the events of 1989. It was not so much the Communists' monopolisation of power that shocked the captive nations—they had seen this before—but the magnitude and brutality of the terror and the destruction of the previous way of life—and all this for the benefit of another state, the Soviet Union. There is much evidence that contemporaries considered their opposition to Stalinism fundamentally to be a moral one. The violent contrast between words and deeds shocked even those who had supported Communism at the outset. Through its flagrant violation of the basic norms of humanity, Stalinism not only reinforced negative assumptions about Communism but scuppered indefinitely the Communists' chances of eventually turning a system based on force into one based on conviction.⁸¹

⁸⁰ Kopácsi 1989, pp. 112-113.

⁸¹ Okey 2004, pp. 11-23.

Usual Communism

After the death of Stalin in 1953 and the 'thaw', that began thereafter, open terror in the Soviet Union and its satellite states subsided. Within the USSR, most of the people who had been imprisoned in the GULAG were released, while those who had been deported received permission to return home. In Central and Eastern Europe too, many political prisoners were released. These changes in the Communist system were nevertheless cosmetic at best, as the essence of the Communist dictatorship remained unchanged. The open terror and purges had created a pervasive fear that lasted for decades, even though mass terror ceased. It had been very effective: the arrests and other types of repression served as a permanent reminder of who was actually in charge. The Communist system relied on a powerful security apparatus, whose role expanded rather than diminished with the end of open terror. To keep the situation under control, even the slightest symptoms of resistance had to be suppressed; in order to exercise control over ever-increasing areas of life, the number of functionaries in the Communist security services grew constantly, with the agent network expanding simultaneously. The network of agents grew by an annual average of 30% during the last decade of Communist power in Poland alone, reaching its record level of around 98,000 in 1988. The largest security service was created in Eastern Germany, where the 'Stasi' (*Staatssicherheitsdienst*) had 91,015 full-time employees by 1989: one employee for every 180 East German citizens, a proportion that far outnumbered the ratio achieved by the state security service of any other Communist country. At the same time, the Stasi had 174,000 'unofficial informers' on its payroll.⁸² Eventually, increasingly advanced technical means were introduced. The attempt to exert absolute control over every aspect of human life is excellently portrayed by the Florian Henckel von Donnersmarck film, *The Lives of Others*.

In this way, then, arrests and repression also continued into post-Stalinist times. In Czechoslovakia, historian Karel Kaplan estimates that a total of 'about two million Czechoslovak citizens, or half a million families,' were affected by political persecution under the Communist regime; most often in the form of political purges, exclusion from public life, exclusion from certain professional activities or studies, surveillance by the secret police, review of pensions or forced removal to another place. At the beginning of the 1990s, the Czechoslovakian courts rehabilitated 257,902 people who had been convicted of offences of a political nature.⁸³ The East German state security services conducted 88,718 preliminary proceedings between 1950 and 1989, with most of these resulting in convictions and subsequent imprisonment. The East German courts were responsible for at least 52 death sentences for political offences between 1945 and 1989.⁸⁴ In 1961, the number of political prisoners in Bulgaria totalled 1,383⁸⁵, while the number of people imprisoned in Bulgarian labour camps between 1944 and 1962, was 23,531. As was often demonstrated, the Communist authorities did not hesitate to use the army against the people, executing political enemies at home or abroad. In 1978, agents of the Bulgarian Secret Service,

⁸² Handbook, p.198.

⁸³ Handbook 2005, p 133.

⁸⁴ Handbook 2005, p 208.

⁸⁵ Handbook 2005, p. 74.

with 'technical help' from the KGB, killed the well-known dissident and writer Georgi Markov in London.⁸⁶

The situation was even worse in the Soviet Union where people did not have the small liberties possessed by the inhabitants of the satellite states. The Soviet Union tried to shut itself off completely from the rest of the world. The powerful KGB, with its huge security apparatus and network of informers, controlled all aspects of society. According to Western estimates, the KGB had 720,000 agents on its payroll, the KGB and the Ministry of the Interior (MVD) together had 570,000 officers and men in military formation under their command including several divisions of border and internal security troops.⁸⁷ Even though the amount of people convicted of anti-Soviet agitation and propaganda—3,488 between 1958 and 1966—was not comparable with the figures reached during Stalin's times, this was only as a result of 'prophylactic work'; the secret police let potential dissidents know that they were aware of their activities and that the alternative was either to go to prison or stay silent. Sixty-three thousand, one hundred people received such warnings between 1971 and 1974 alone. There were occasions too when the Soviet leaders demonstrated that they were capable of using their military might against demonstrators at any time. In 1956, Red Army soldiers were authorised to open fire on demonstrations, in Georgia soldiers who refused to do so were brought before a tribunal. In Novocherkassk in 1962, riots broke out because of price hikes. Soldiers from the Novocherkassk garrison refused to fire on unarmed strikers. The army troops were therefore deemed unreliable and troops from the Ministry of the Interior, who were willing to shoot to kill were sent to replace them. More than 20 people were killed and 116 convicted of involvement in the demonstrations. As a result of these events, however, the Soviet leaders began to fear that other soldiers might refuse to fire on protestors and this led them to issue new orders to the armed forces aimed at limiting the use of firearms in confrontations with demonstrators.⁸⁸

The use of violence against demonstrators served to remind people that the Communist leaders, although not currently using mass terror against the population, were willing to use it without hesitation if they deemed it necessary. This policy was highly effective. People felt in their bones that mass terror could once again become a reality. Fear in society was absolute, killing not only attempts to resist but also exhibit initiative. Richard Pipes was right when he wrote that the terror made it clear to the population that under a regime that had no hesitation in executing innocents, innocence was no guarantee of survival. The best hope of this lay in making oneself as inconspicuous as possible, which meant abandoning any thought of independent public activity, indeed, any concern with public affairs and withdrawing into one's private world. Once society disintegrated into an agglomeration of human atoms, each fearful of being noticed and concerned exclusively with physical survival, then it ceased to matter what society thought, for the government had the entire sphere of public activity to itself.⁸⁹

At the same time, it was clear that the end of open terror and some liberalisation was a relief for the captive nations. Some economic and social experiments were tolerated, especially in the satellite countries, resulting in a limited degree of economic recovery and improved standards of living. As a result of this increase in social and economic freedoms, some economies in Central and

⁸⁶ Andrew and Mitrokhin 1999, pp. 388–389.

⁸⁷ Adomeit 1998, p. 151.

⁸⁸ Beissinger 2002, pp. 330–334.

⁸⁹ Shattan 1999, p. 226.

Eastern Europe demonstrated quite impressive growth after the end of Stalinism. It is interesting to note that during the 1950s, greater freedom was given and more reforms allowed in the countries that had been more active in their resistance to the Communist system. The Hungarians did not achieve freedom in 1956, but in order to pacify the country, they not only received significant material aid from the Soviet Union, but also license to launch a set of reforms that paved the way for so-called 'Goulash Communism'.⁹⁰ Inside the Soviet Union itself, the Baltic countries were known as the most negative towards the Soviet system and this was most probably one reason for their special treatment. The Soviet leaders tried to turn the Baltics into a shop window to the West, tolerating more economic reforms in these countries than other places in the Soviet Union. This economic development was not, however, attributable so much to economic reforms as to cheap energy and raw materials imported from the Soviet Union. The discovery of oil deposits in Western Siberia in the 1960s helped the Soviet Union to support the satellite countries more effectively and at the same time earn the hard currency needed to pay for food imports through oil exports to the West. The need for hard currency prompted the use of methods that produced quick results, but which risked creating lower yields in subsequent years.⁹¹

In fact, maintaining the empire became increasingly costly for the Soviet Union with each passing decade. The Soviet economy simply could not afford to retain the satellite states, but the Soviet leaders ignored all the warning signs. Central and Eastern Europe did not help to increase Soviet security; in fact, it created more problems than it solved. In order to preserve internal cohesion and the stability of the Communist bloc, the Soviet Union had to keep 585,000 troops stationed in the Central and Eastern European countries and 1.4 million along its Western borders. To sustain the Communists' hold on power, the Soviet Union had to subsidise the Central and Eastern European economies, particularly important in view of the regular insurrections against Communism. The Soviet Union had to pay to keep its allies quiet, writing off Polish debt in 1956 and again in 1981, as well as making economic concessions to Czechoslovakia after 1968. According to estimates, Soviet aid to socialist countries had reached \$20 billion a year by the 1980s.⁹²

Development was still uneven. It mainly affected countries, such as Bulgaria or Romania, that had been less well-developed in comparison with the European average before the Communist takeover. But even there, local leaders were more than aware that the price of this development was absolute dependence upon the Soviet Union and that they were, in fact, already bankrupt. When Moscow asked for its money by the end of the 1950s, the Bulgarian leader, Todor Zhivkov, secretly handed over the national gold reserve to the Kremlin. In July 1963, Zhivkov decided to cut the country's losses by dissolving Bulgaria and integrating it into the USSR as the sixteenth republic. When the Soviet leadership declined, fearing that to do so might incur geopolitical problems, Zhivkov raised the question again in 1973, hoping in this way to pay its debts to Moscow. In order to keep its satellite afloat, the Kremlin decided to subsidise Bulgaria's economy with up to \$600 million annually for agricultural produce and support with subsidised oil.⁹³

⁹⁰ Janos 2000, pp. 264-328.

⁹¹ Gaidar 2007, pp. 102-103.

⁹² Gaidar 2007, p. 285.

⁹³ The Reunification of Europe 2009, p. 20.



A shopping trip yields some valuable booty – toilet paper. Poland, 1971.

In real terms, the Central and Eastern European economies could not compete with those of the Western European countries. Productivity was still poor and most of the goods produced were not competitive on world markets, with the result that they could only be traded on the closed socialist markets. Czechoslovakia, for example, which earlier in the century had ranked among the top ten industrialised nations, found it increasingly difficult to compete in Western markets in the 1970s and 1980s with its low-quality manufactured goods. The share of its total trade with less competitive socialist countries rose steadily from 65% in 1980 to 79% in 1987. When compared with the structure of employment and the output of goods and services in OECD member countries, it is apparent that agriculture accounted for a larger share of employment and gross domestic product in the Central European economies. Furthermore, the service sector in

Central Europe was much smaller than it was in Western Europe. Industry in the Central and Eastern European countries was over-concentrated and lacked small and medium-size enterprises. Compared to other European countries, energy consumption in the Communist satellite states of Central and Eastern Europe was two to four times greater than would have been expected based on its per capita GDP. As a result, the technology employed in civilian industries became increasingly backward in relation to the West and the environment suffered increasingly in Central and Eastern Europe. The situation was even worse in the USSR, where waste in all areas was greater and productivity lower. The use of raw materials and energy in the production of each final product was 1.6 and 2.1 times greater than it was in the United States, respectively. The average construction time for an industrial plant in the USSR was more than ten years, whereas in the United States it was less than two years. In manufacturing per unit, the USSR used 1.8 times more steel and 7.6 times more fertilizer than the USA. During the 1980s, the productivity level in the Soviet Union fell by 14% and dropped to roughly one fifth of the Western level. Productivity in the Baltic countries was higher than it was in other Soviet republics, but in comparison with their capitalist neighbours, the productivity gap widened.⁹⁴

In view of Communism's modernist pretensions, it is striking how backward the Eastern bloc remained in the fields of computer technology and telecommunications, the leading sectors in the advancing global revolution. While in West Germany, the number of unskilled workers with a phone rose from 20% to 58% in the early 1970s, in East Germany, only one home in seven had a phone in 1990.⁹⁵ The average waiting time for a new phone in Poland was 13 years. Facsimile had only a small role to play in Central and Eastern Europe because of the poor quality of transmission.⁹⁶ East German attempts to go in for microchip specialisation resulted only in annual subsidy of three-billion marks. The computer age, heralded in 1974 by the appearance of the personal computer, did not arrive at all in the Communist world. By the end of the 1980s, the ratio of personal computers per capita was, at best, no more than 10% of the average Western level on average.⁹⁷ At the same time, socialist countries tried to present themselves as vanguards of progress by falsifying data and concealing problems.

In reality, the local Communist leaders were familiar with all of these problems. But to find solutions for them without liquidating some basic Communist principles was impossible. Nevertheless, in the 1970s, a serious attempt was made to win people over to a society whose material well-being compensated for its politics. Socialism was now to take on a more consumerist style. Communist societies were to be 'normalised' not only by the security police but also by growing prosperity, washing machines and televisions. It was hoped that people who could set off in their family cars for weekends at their summer homes in the countryside would worry less about the absence of political liberties. Other aspects of life, such as sporting pride or national sentiment, were also exploited. This was all well and good, but in order to achieve these goals, the economies of Central and Eastern Europe were not modernised through economic reform, but rather through foreign loans and technology to be paid for by growing exports. In the beginning, this strategy appeared to be successful. In Poland, wages went up by 40% in real terms during the early 1970s. Overall, by the end of the 1970s,

⁹⁴ Mickiewicz 2005, pp. 4-24; Gros 2004, pp. 41-55; Okey 2004, pp. 24-30; Sachs 1994, pp. 3-22.

⁹⁵ Okey 2004, p.36.

⁹⁶ Noam 1992. pp. 78, 99, 274-279.

⁹⁷ Berend 2009, pp. 24-25.

wages in Central and Eastern Europe were three to four times their 1950 level in real terms. Such growth, however, was not sustainable. In Poland, for example, it resulted in a hard currency debt that stood at \$20 billion by 1980, by which time debt service charges had risen to 82% of exports. Poland had not exploited its Western-derived technology as effectively as had been anticipated and could not even afford the necessary spare parts. The global rise in oil prices and interest rates made the situation even more difficult—it became clear that Poland simply could not pay back its debt.⁹⁸ The situation was no better in other Communist countries. The \$20 billion debt that Hungary owed was approximately double the value of the country's hard currency export income. Bulgaria too became insolvent and requested a rescheduling of their debt payments, while the leaders of the GDR had to have secret negotiations with West Germany in order to acquire new loans with which to repay the old ones. Romania tried to escape the indebtedness trap by ordering repayment and drastically cutting domestic consumption. The stores were empty, while cities and homes languished in darkness and went unheated in the winter. Everywhere, the socialist command economy everywhere descended into irreversible decline and eventual bankruptcy.⁹⁹ (Table 4)

Table 4

Hard-Currency Indebtedness in Central and Eastern Europe, 1971-1989

(billions of US dollars)

	Bulgaria	Czecho-slovakia	GDR	Hungary	Poland	Romania	Yugoslavia
1971	0.7	0.5	1.4	1.1	1.1	1.2	-
1975	2.6	1.1	5.2	3.1	8.0	2.9	-
1976	3.2	1.9	5.9	4.1	11.5	2.0	-
1977	3.7	2.6	7.1	5.7	14.0	3.6	8.4
1978	4.3	3.2	8.9	7.5	17.8	5.2	10.7
1979	4.4	4.1	10.9	8.5	22.7	7.0	13.5
1980	3.5	4.9	14.4	9.1	25.1	9.4	17.4
1981	3.1	4.4	14.7	8.7	25.5	10.2	19.0
1982	2.8	4.0	13.1	7.7	25.2	9.8	18.5
1983	2.5	3.5	12.3	8.3	26.4	8.9	18.9
1984	2.6	4.5	-	11.0	21.1	7.8	18.8
1985	3.8	4.6	-	14.0	33.3	7.0	18.4
1986	5.9	5.6	-	16.9	36.6	7.0	19.2
1987	8.3	6.7	-	19.6	42.6	6.6	20.5
1988	8.9	7.4	-	19.6	42.1	3.0	18.9
1989	10.1	8.0	-	20.4	43.1	1.1	17.2

Sources: Economist Intelligence Unit 1985, 16, cited in Brown 1989, 507; World Bank 1997a; 1997b. For Yugoslavia, 1984–89; Vienna Institute 1991, 391.

⁹⁸ Sachs 2004, pp. 26-34.

⁹⁹ Janos, pp. 288-324.

Neither was Yugoslavia, whose model of self-managing socialism had proved quite successful during the 1960s and 1970s, spared these problems. Yugoslavia was effectively a free market where, from 1965 onwards, enterprises were free to dispose of their profits through wages or reinvestment as they saw fit. Foreign investment entered the country creating the economic growth that raised living standards in the most developed parts of Yugoslavia—today's Slovenia—almost to the level of neighbouring Austria. However, even 'soft constraints' and a lack of clear property rights dogged the Yugoslavian success story to the end. Workers' control of enterprises inhibited the intra-regional mobility of labour and technology, while the Yugoslavian model proved very vulnerable to externally driven inflation. After the death of Tito, international confidence in Yugoslavia's stability weakened and the inflow of foreign funds decreased. Despite having grown at a rate of over 5% annually during the 1970s, by 1987, Yugoslavia was experiencing rising unemployment, a five-fold increase in inflation (to 150%) and drops of 26% in real net personal income.¹⁰⁰

Economic difficulties in the Central and Eastern European satellite countries also created increasing problems for the Soviet Union. First of all, Moscow had to pay for this 'consumer socialism' with generous subsidies. (Table 5) It was not only a question of supplying low-cost energy, that could more profitably have been sold to the West, but also of the Soviet Union's receipt of inferior Eastern bloc manufacturing. Worse still, the satellite countries were extending one hand towards the Soviet Union for support, while reaching out to Western countries with the other, with the view to developing their own 'special relations' with them. Soon early in 1984, Gosbank in the USSR warned that the satellite countries' financial situation was becoming dangerously ruinous as 'the general level of unpaid debt of the socialist countries reached a record for the time of USD 127 billion, and the ability of some of them to pay is very low'.¹⁰¹ The Soviet leaders were extremely displeased by the way in which their Central and Eastern European 'comrades' were becoming increasingly dependent on their Western creditors and, through them, on the Western world. In their reports, the Soviet representatives explained that 'the GDR consumed much more than it was able to produce. The result of this development was a rapid increase in the state's foreign debt.' West Germany was ready to provide the necessary loans, but only on political conditions, which made the Soviets especially nervous.¹⁰² This led

Table 5

Net Cumulative Indirect Subsidies from the USSR, 1971–1978

(in US dollars)

Country	Total (billions)	Per Capita
Bulgaria	3.5	390
GDR	4.8	290
Czechoslovakia	2.6	170
Hungary	1.0	100
Poland	2.1	60
Romania	-0.1	-0.5

Source: Marer 1996, 56. Fuel and nonfood raw materials.

For higher estimates, see Marrese and Vanous 1983.

¹⁰⁰ Janos, pp. 269-281.

¹⁰¹ Gaidar 2007, p.108.

¹⁰² Adomeit 1998, p. 128.

to heated debates between Moscow and Berlin, with the Soviet leaders warning the East Germans of the great danger of indebtedness to the West. The East Germans, however, had no choice other than to continue their cooperation with the West. In 1983, Honecker sent a secret letter to Franz Josef Strauss saying that he could not ask Moscow for further help and wanted the West to help him out of the current situation. Moscow was furious at the closer cooperation between the two Germanies, declaring that the measures passed by East Germany to get loans from the West, 'from the point of view of internal GDR security, are dubious and constitute unilateral concessions to Bonn'.¹⁰³ Such pressure, however, had little effect; the countries of Central and Eastern Europe had become dependent on the West and there was little the Soviet Union could do to halt the trend (Table 6).

Table 6

Debt of socialist countries

Billions of dollars in nominal terms

Debtor	1981	1984	1986	1987	1988
Poland – Total	25.9	26.9	33.6	39.3	38.9
Of which, net debt	25.1	25.4	31.9	36.3	36.9
USSR – Total	26.5	22.5	33.1	40.1	41.5
Of which net	18.1	11.2	18.3	26.0	27.2
CMEA countries as a group – Total	99.2	87.6	120.5	142.7	140.5
Of which net	83.2	63.3	90.9	111.2	109.8
All socialist countries – Total	127.8	115.7	163.9	191.2	205.7
Of which net	105.0	71.7	119.7	143.4	154.1

Source: July 13, 1989 (GARF, F. 5446, Inv. 150, S. 73, P. 70, 71).

The reasons for the failure of Communism, however did not lie in subjective mistakes, but in the objective contradictions and problems within the Communist system itself. Let us consider the practical rather than the theoretical problems by looking at the economic difficulties that contributed to the economic slowdown, starting with inadequate incentives. The expectation that control and planning would solve the economic problems did not work in reality. A human being's free will, which is the basic condition for innovation, cannot be incorporated into an economic plan. Communism is simply not capable of innovation and this was one of the main reasons for its failure. The second reason for failure was semi-autarky, the closeness of the Soviet system. For the Communists, the outside world was an alien, uncontrollable source of disruption and therefore it was better not to have too much contact with it. This attitude isolated the Communist countries from the rest of the world and condemned them to backwardness. The third problem in the command economy was its structural inertia. During the initial phase of development, growth in the Communist bloc was fuelled by extensive methods. For some time, the Soviet economy was able to grow without much difficulty while it was sufficient to produce no matter what and no matter how: labour was plentiful and even a waste of capital looked like growth. The system worked more or less satisfactorily as long as the world economy developed in a predictable way, but when the picture became distorted – as always happens – the command economy was not able to respond

¹⁰³ Adomeit 1998, p. 183.

to the changes. For example, whereas the West began to reform its economies after the energy crisis, the command economies carried on along the same old path of energy-intensive development, expanding old technologies and importing production lines, that were just becoming obsolete in the West because of the shift in cost structures. The fourth reason for failure was excessive military spending, that was connected with the USSR's desire to retain the worldwide empire it had created, even in the face of spiralling costs. As a result, while the US had been reducing its military spending since the mid-1950s, in the USSR it had significantly increased, moving the USSR nearer to the collapse. Theoretically it might have been possible to find a way out of this situation, but this would have required the restoration of trust between the government and its people. Under Communism, this was not possible; it was impossible to change the command economy without initiating political change.¹⁰⁴

At the same time, the Communists themselves tried to stay optimistic and 'sell' Communist ideas via absolutely controlled media to as many citizens as possible. It was announced that people would be living in Communism within a few decades. In 1961, the head of the East German Communists, Walter Ulbricht, forecast the arrival of paradise in the following way:

Our table will be covered with the best nature can offer: prime meat and milk products, the best of the orchard, strawberries and tomatoes at a time when they are not yet ripening on our fields, grapes in winter and not only when in abundance in autumn [...]. To imagine that future abundance in the retail outlets, mighty and ever-growing waves of food and specialities from the four corners of the earth, of clothes and shoes of marvellous new materials, of kitchen appliances and working machines, cars big and small, handicrafts and jewellery, cameras and sports equipment.



Queues were normal part of Soviet life. Estonia, 1987.

¹⁰⁴ Mickiewicz 2005, pp. 4-16; Janos 2004, pp. 330-338.

Unfortunately, with each decade, the Communist countries moved farther away from this dream, that actually reflected conditions in the developed capitalist countries of the 1990s and not at all those of the Communist camp.¹⁰⁵ The people reacted to Communist brainwashing with enormous numbers of bitter jokes such as: 'how will the problem of queues in shops be solved when we reach full Communism? There will be nothing left to queue up for'.¹⁰⁶

The best evidence of the failure of the Soviet system in Europe was actually created by Communists themselves—the Berlin Wall, which made the Iron Curtain concrete in the most literal sense of the word. You can placate people for a long time with attractive promises of a better life in the future, but eventually they will realise what is really going on and start voting with their feet. In the period between the end of the Second World War and 1961, a total of 3.8 million people emigrated from East to West Germany. In late 1960 and early 1961, the number of refugees rose dramatically; a critical point had been reached. Every day, thousands of East Germans slipped into West Berlin and from there were flown on to West Germany itself. If the exodus could not be stopped, East Germany would soon cease to exist. The seriousness of the situation was understood in both Berlin and Moscow. The only solution seemed to be to cut East Germany off from the West once and for all. So, on the morning of 13 August 1961, under the protection of hundreds of tanks and thousands of soldiers, the building of wire obstacles dividing East and West Berlin began. Overnight, and with savage finality, families, lovers, friends and neighbourhoods were divided; subway lines, rail links, apartment buildings and phone lines were severed and sealed off. Sunday, 13 August, became known as '*Stacheldrahtsonntag*' (Barbed Wire Sunday); for the Communists it marked the successful accomplishment of 'Operation Rose'. Within a few weeks, improvised wire obstacles started to morph into a formidable, heavily fortified, closely guarded and booby-trapped cement barrier dividing the city and enclosing West Berlin. This was 'the Wall'. Officially, there was little that the West could do, but several organisations were founded in West Berlin to help people from the other side of the Wall to find their way to freedom. With false documents or via secret tunnels, thousands of people reached West Berlin. The escapees proved that the Wall was not impregnable, thereby offering hope to the millions of citizens still trapped in the GDR.¹⁰⁷ Many people were killed and even more arrested. During the second half of 1961 alone, 3,041 people were arrested as a result of failed escape attempts and altogether 18,000 individuals were sentenced for 'political crimes' in the GDR during that year. Throughout the duration of the Wall's existence, at least 765 people met their death on the way to freedom, 202 of them in their attempt to get over the Berlin Wall.¹⁰⁸ But this did not stop others. There were many innovative escape attempts; by hot-air balloon, hidden in cars, under water or by simply driving a scheduled passenger train into a barrier at full speed, as driver Harry Deterling did on 5 December 1961. Deterling had carefully recruited his 24 passengers for what he called the 'last train to freedom'. All cowered on the floor of the wagon as the train powered through the final border defences and a hail of bullets swept over them.¹⁰⁹

¹⁰⁵ Gros and Steinherr 2004, p.54.

¹⁰⁶ Lewis 2008, p. 210.

¹⁰⁷ Taylor 2007.

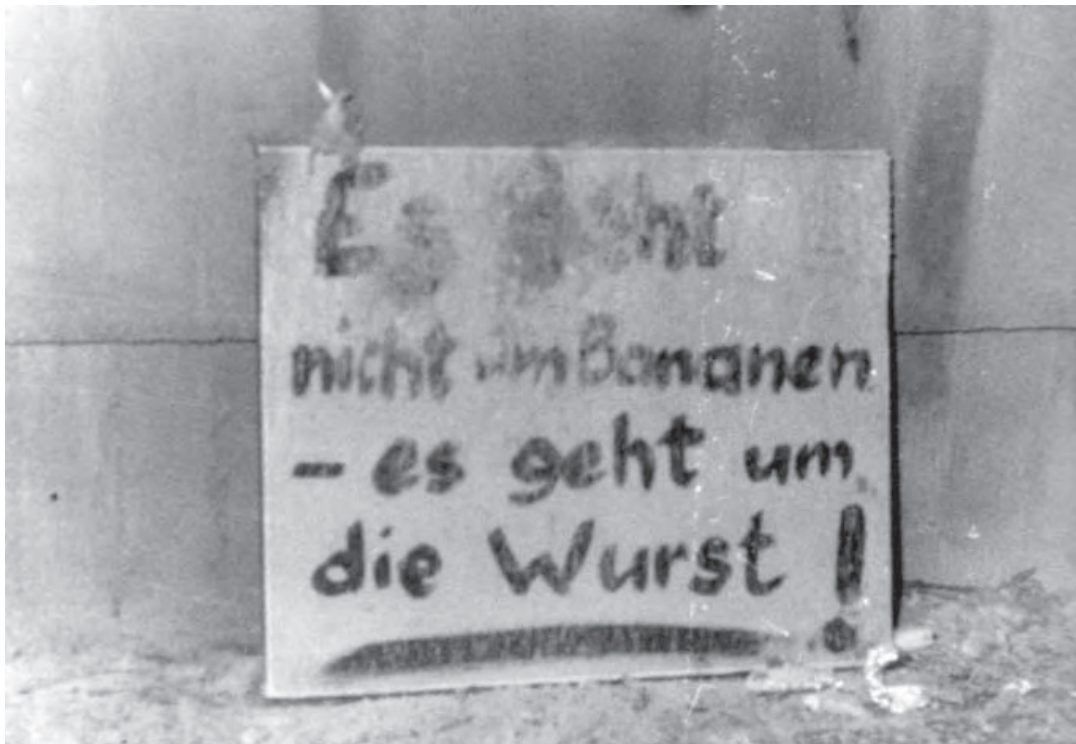
¹⁰⁸ Handbook, p. 208.

¹⁰⁹ Taylor 2007, p. 296.

All this demonstrates again the basic failure of Communist thinking, which simply fails to understand that since a human being is created in the image God, he has a right to make his own decisions. When people are not free to choose, they cannot be creative or innovative. Being able to make innovative decisions also means that they can make mistakes and learn from them. This is also part of being human. Absolute control robs people of the possibility of making such mistakes and this in itself is the greatest mistake of all. Because, without the right to decide, the right to try and the right to be right or wrong, human beings simply could not exist.

East and West Compared

Just as the West had failed to understand what was going on in Central and Eastern Europe after the Second World War, it continuously ignored the realities behind the Iron Curtain in the decades thereafter. After the end of Stalinism, increasing numbers of Western scholars and politicians began to view Eastern bloc Communist countries as, basically, similar to other countries in the world. According to several Western scholars, the Soviet understanding of democracy and human rights was simply 'different' from the Western one. At the same time, the achievements of the Eastern European Communist countries were actively promoted and praised. To foreign observers, the Soviet economic system seemed to foreign observers to be stagnant but nonetheless stable, so much so that almost no one predicted its swift collapse. Former special adviser to Margaret Thatcher, John O'Sullivan, has remembered how the Prime Minister's Office was full of reports, all of which declared that the Soviet economy was in good shape. It was reported, for example that living standards in East Germany were



Protest in East Germany – the question is not bananas, but sausage

roughly the same as in the West. Actually, it was only necessary to talk to the first taxi driver in Berlin to find out that this was far from the truth.

It was not actually difficult to reach such optimistic conclusions on the health of the Soviet economy from looking at the impressive figures in Soviet statistics. After the wobbles of the early 1960s, the Communist bloc countries' five-year GDP growth targets for the years 1966-1975 were achieved, ranging from East Germany's 5.4% to Romania's 11.3% annually. How are decades of such high growth figures to be reconciled with the low per capita living standards? Firstly, the Communist gross figures included the double counting of input materials, as well as the finished products. The figures were also often deliberately massaged to disguise the embarrassing gap between the USSR and the West. Above all, much Communist growth went into production of items like steel that were then used to make more of the same, at the expense of consumption and personal income.¹¹⁰ Unfortunately, such factors were often not taken into account when assessing the Communist countries' GDP.

Of course, it cannot be said that no development or achievements were made during the fifty years under Communism. With improved healthcare, the mortality rate dropped, then the fall in the birth rate reduced population growth to a modest 1%, quite near to Western standards. Infant mortality fell, but was still too high compared to Western levels. While mass primary education had largely come about before 1939, mass secondary education only came under Communism. The levelling of differences, which was one of Communism's declared aims, operated most clearly in income policy where pay differentials were narrowed, thus laying the basis for fuller social integration. At the same time, we might question whether all of this would not have happened anyway as part of overall modernisation. Several Central and Eastern European countries already demonstrated rapid development in the 1930s, might they not have been better off if they had been allowed to continue on their own path? To answer these questions we must compare the development levels of European countries in the 1930s with their development levels in the 1970s and at the end of the 1980s, during the last years of Communism.

During the 19th century, the average income per capita in Central and Eastern Europe was half that of Western Europe. By 1913 it had fallen to 46% and 32% of the rest of the Western world (US, Canada). During the years of independence between 1920 and 1939, the countries of Central and Eastern Europe developed well and even after the massive destruction during the II World War, by 1950, the difference between the Central and Eastern Europe and Western Europe had decreased. This trend continued into the 1960s and 1970s, but then a new decline began. By 1990, the per capita income in Central and Eastern Europe had fallen to 32% of the level of the Western world. The failure to reach the economic levels that prevailed in Western Europe was especially painful as it was during this period that other less developed countries in the Mediterranean and on the Northern periphery of Europe broke free from backwardness. By the 1930s, most Central and Eastern European countries had achieved better living standards than Spain, Portugal, Greece or even Italy and competed with countries like Austria or Finland. Even in the 1950s, the average level of income in Spain, Portugal and Greece stood at only 39% of West European levels, less than that in Central and Eastern Europe. But by 1973, the per capita income in Southern Europe soon slightly exceeded that of Central and Eastern Europe. By 1987, the difference had become very marked. Between 1973 and 1992, the average in-

¹¹⁰ Okey 2004, p. 35.

come in the Southern peripheries of Europe actually increased by 38%, while in Central and Eastern Europe it declined by 19% (Table 7). Countries such as Austria, Ireland and Finland also leaped forward and by the 1990s actually surpassed the average Western living standards. Czechoslovakia had been on a par with Germany before the war and well ahead of Spain. In her growth spurt during the 1960s Spain overtook Czechoslovakia, first in private cars and phones per capita and then in GDP per capita. Portugal followed the trend during the 1980s.¹¹¹ This clearly demonstrates that Communism perpetuated backwardness in Central and Eastern Europe by not allowing it to move forward at the same rate as other European countries with similar backgrounds. Indeed, this is not only visible in the figures for GDP per capita; the same trend can be seen if we compare the levels of social development. Consider life expectancy for example. In the 1930s, the position of Central and Eastern European countries was clearly better than a number of other European countries in this regard, but patently fell behind Western Europe during the Communist rule. Average life expectancy, of course, increased everywhere, but people were healthier and lived longer when they were not living in Communist countries. It is true that healthcare was free in the Communist states, but this did not help people to stay healthy as the quality of the healthcare was, unfortunately, too low.

Table 7

Comparative GDP growth rates/capita

Region	1950–73	1973–92
Central and Eastern Europe	3.79	-0.7
Soviet Union and successor states	3.36	-1.4
Western and Mediterranean Europe	4.8	2.0

Source: Maddison, 2001: 186.

This picture becomes even clearer when we move away from statistics that are to a greater or lesser extent distorted — portraying the Communist economies in a more favourable light than was actually the case—to a more detailed study, namely, to a comparison of the Communist countries with some of the poorer countries in Western Europe such as Portugal or Spain whose economies differed little from those of the less developed Central and Eastern European countries prior to World War II. Jeffrey Sachs for example compared Poland and Spain, two countries that in the 1950s were largely agricultural, Catholic, peripheral regions of Europe (Table 8). The sizes of the populations and per capita incomes were also quite similar. They had both had disastrous experiences just prior to the mid-century mark—Poland suffered some of the largest civilian casualties relative to population size in Europe during World War II and Spain suffered its Civil War—which not only crushed democracy, but also stifled economic development. In the 1930s, Poland was ahead of Spain in terms of per capita income and the situation in 1950 had not changed greatly although by this time, the data for Poland was in all likelihood falsified. Nevertheless, it is clear that Poland was clearly a larger industrial power and a larger exporter of goods than Spain. By 1988, however, Spain's per capita income was four times that of Poland. The enormous increase in income was also reflected in Spain's

¹¹¹ Okey 2004, pp. 41.

Table 8

A comparison of Poland and Spain, 1950–1988

	Poland	Spain
Area (1,000 km ²)	313	505
Population (millions)		
1950	23.9	27.0
1988	37.9	39.0
Per capita income (US\$)		
1955 ^a	755	516
1988	1.860	7.740
Industrial production		
1950 ^b		
Cement	2.512	2.103
Pig iron	1.488	658
Steel ingots	2.515	818
1988 ^c		
Crude steel	16.9	11.7
Cement	17.0	24.4
Electric energy	144	122
Industrial production per capita (U.K. 1900 = 100)		
1953	49	22
1963	88	43
1973	160	122
1980	196	156
Exports (\$ billion)		
1950	0.6	0.4
1989	12.9 ^d	43.3
Education enrollment		
1965		
Primary	104	115
Secondary	69	38
Tertiary	18	6
1987		
Primary	101	113
Secondary	80	102
Tertiary	18	30
Consumer durables (per 100, 1986–1988)		
Automobiles	11.1	26.3
Televisions	22.7	35.7
Telephones	11.8	24.4
Radios	25.6	34.5

^a Reported in B. Balassa. "Growth Performance of Eastern European Economies and Comparable Western European Economies," *American Economic Review*, May 1970.

^b Cement, pig iron, steel ingots, in thousand tons.

^c Steel, million metric tons; cement, million tons; electricity, million kilowatt-hours.

^d Total exports are the sum of exports to the convertible currency area (\$8,5 bl) and exports to the non-convertible currency area (\$4,3 bl). It is likely that the latter value overstates the market value of these exports if they were to be valued at world market prices.

Source: *Economist* (1990), World Bank (1990), national sources.

greater ownership of consumer durables, where Poland had also been ahead of Spain before the Second World War.¹¹²

The difference between the two countries shows up most dramatically in their differing export performances. Even in the 1970s, Poland's total dollar

¹¹² Sachs 1994, pp. 22-26.

value of exports still exceeded Spain's; but during the next decade, Spain's export earnings surged ahead while Poland's stagnated. So, after starting from a similar point in the mid-1950s, Spain shot ahead of Poland over the next 35 years. Spain began to catch up with the rest of Western Europe, while Poland fell farther behind. The central reason for Spain's success was its shift from isolation to integration within Europe and the democratisation process that allowed the country to become a full member of the European Community.

A similar picture can be found in Northern Europe when comparing developments in Estonia and Finland. It would be harder to find two countries more similar than these two Lutheran countries situated on Europe's Eastern border. Because of their shared heritage as Finno-Ugric nations, Estonia and Finland have similar languages and cultures. Both countries were largely agricultural, although some industrialisation began early in the 20th century. Moreover, Finland and Estonia paralleled each other in terms of socio-economic development during the inter-war period (1920-1938). In some respects, Finland's economic development was greater, but this was not true for all measures of growth. In sum, there were few real differences between the two countries by 1940. At this time, however, Finland and Estonia experienced disasters that set them on different courses for the next 50 years; Estonia lost its independence and one-third of its population, while Finland succeeded in keeping its independence, but suffered a loss of territory and population. Life under two different political systems resulted in vastly different economic structures and behaviour patterns that created a huge disparity in the development of Finland and Estonia.¹¹³ During the 1950s, living standards in Estonia and Finland were more or less the same. Finland had to pay war reparations to the Soviet Union, which significantly decreased living standards in the country. Gradually, however, Finland opened itself up to the world, while Estonia remained locked away under the control of the command economy. From this point onwards, Finland's GDP grew several times faster than Estonia's, until in 1988 its GDP per capita was at least four times that of Estonia. Indeed, this may even prove to be too optimistic a picture as the calculations were based on an official exchange rate that was far from realistic. Other observations present a level of household income per capita in Finland that was 4.6 times higher than the Estonian level in 1988. If we base these calculations on a more realistic exchange rate, then Finland's income per capita can be estimated to be 8.4 times higher. On the basis of these calculations we can conclude that in 1988-89, the Estonian GDP per capita was some 15-17% of the Finnish GDP per capita, which was then at the level of the European average. This puts the Estonian GDP per capita at the end of the Communist period at a much lower level than most international studies would suggest. But even on the basis of the most optimistic official figures that estimate the Estonian GDP per capita to be four times smaller than Finland's, it is clear that Finland totally surpassed Estonia during the country's extended period of Communist domination.¹¹⁴

The slower economic growth in Estonia lowered the country's living standards relative to those of Finland. In 1939, they had been very similar. When we consider the amount of goods that can be bought with the hourly wage, we see that out of 24 items of foodstuffs for which we have comparable data, the price per hour of work (PPW) of an industrial worker for 13 items was higher in Estonia while for 10 items, Finland had the edge. In comparison with 1938, the

¹¹³ Olev Lugas and Pentti Vartia 1993.

¹¹⁴ Dellebrandt 1992.



Shop door opens in Skaryszew, Poland 1989.

PPW for a Finnish employee appeared by 1988 to be between 1.45 and 2.1 times higher than that of an Estonian employee, though there were two products that were relatively cheaper for an Estonian employee: rye bread and white bread. In general, however, it should be conceded that a Finnish employee would be considered clearly better off. The extreme case is coffee, which was 13.1 times more expensive for an Estonian worker than for a Finnish employee. The gap widens even further if we consider the quality of products available in the two countries, many of which, it must be remembered, could not always be purchased in Estonian shops (Table 9).

Table 9

Quantities of food per hour of work in Estonia and Finland in 1938, 1981, 1988

Foodstuff	1938		1981		1988	
	Estonia	Finland	Estonia	Finland	Estonia	Finland
Pork, g	400	420	455	1370	700	1123
Baltic herring, g	1750	1620	3125	4990	1375	4258
Rye bread, g	1770	1650	6250	3750	4667	2175
White bread, g	960	580	4545	2860	2642	1560
Milk, l	3	3.6	3.9	10.0	5.4	9.6
Potatoes, kg	8.4	8.9	-	-	4.7	7.5
Sugar, g	780	950	1280	3160	1795	3921
Butter, g	-	-	294	900	400	857
Eggs	-	-	8.3	15.3	14	54
Sausage, g	-	-	400	1540	636	1105
Flour, g	-	-	2380	4860	3415	4660
Coffee, g	-	-	50	860	70	759
Cheese, g	-	-	340	860	483	844

Source: Lugus O & Vartia P, 1993

It is also possible to compare the PPW for employees with respect to certain manufactured goods and services. In 1938, this was also broadly similar for Finnish and Estonian employees yet by 1988, Finnish workers were significantly better off. The differences in the PPW with respect to manufactured goods were even greater than they were in the case of foodstuffs. An Estonian employee had to work approximately six times longer to buy a colour TV, about four times longer to buy a refrigerator and 2–2.4 times longer to buy a pair of socks or a bar of soap than his Finnish counterpart did (Table 10). The difference in living standards is also reflected in greater Finnish ownership of consumer durables (Table 11).

Differences in living standards can also be found in the living conditions in the two countries. The average living space per person (the floor space of the dwelling divided by the number of household members) is a simple and frequently used indicator of housing conditions. In Finland, there were 31m² of housing space per inhabitant in 1988, while in Estonia this figure was only 21m². At the same time, the quality of housing in Estonia was much worse than in the Nordic countries.¹¹⁵

¹¹⁵ Lugus O & Vartia P, 1993; p. 363-376.

Table 10

Amount of time to be worked for purchase of consumer goods

Type of goods	Tallinn	Helsinki
Set of women's clothing (dress, skirt, jacket, pantyhose, shoes)	425 hours	80 hours
Set of men's clothing (suit, jacket, shirt, shoes)	321 hours	104 hours
Set of domestic appliances (color TV, refrigerator, vacuum cleaner, sewing machine, iron)	26 weeks	7.1 weeks

Source: Lugus and Vartia, 1993

Table 11

Durable goods per 1,000 inhabitants

Product	Estonia 1988	Finland 1985
Telephones (in homes)	129	522
TV sets	369	537
Refrigerators	394	473
Washing Machines	269	429
Personal computers	-	25
Cars	125	338

Source: Lugus and Vartia, 1993

It can, of course, be argued that none of this means anything. That the capitalist system might be able to offer higher standards of consumerism, but the free education and healthcare, full employment and equality among people offered by the Communists might, ultimately, make people happier. However, this is not so. Communism did not only fail economically, it also failed socially. International statistics on human development document the widening gap between social indicators for Estonia and Finland too; in the mid 1930s, the life expectancy of 56 years in Estonia was higher than the expected 53 years in Finland, yet by the end of the 1980s, the two countries had changed places, with life expectancy in Finland now 4 years longer than in Estonia. Consider also the next widely used figure—the infant mortality rate; before World War II, Estonian and Finnish infant mortality rates were broadly comparable, but they began to diverge after the war. The infant mortality rate in Finland fell by more than 50%—from 13.2 per thousand births in 1970 to 6.4 in 1986—and is currently among the lowest in the world. Immediately after the war, the infant mortality in Estonia also fell, but there has been little improvement since 1970. Infant mortality in Estonia reached its lowest level in 1988, but was still twice as high as the figure for Finland. Serious health problems in Estonia were at least partly caused by the high level of pollution. A comparison of sulphur emissions in Finland and Estonia reveals that levels were much higher in Estonia. For example, the annual mean concentration of sulphur dioxide in Tallinn was 5-6 times higher than it was in Helsinki. The quality of the water is also significantly better in Finland, where 80% of investigated lakes are in good condition, compared to only 20% in Estonia.

We could continue to draw comparisons between Estonia and Finland, but the result is already clear: the level of development and the standard of living in Finland far exceed those in Estonia despite the two countries having started from largely similar positions prior to World War II. The main reason for Finland's success was its shift to a modern, export-orientated market economy and its swift integration into Europe. The same is true of many other countries: East and West Germany, Czechoslovakia and Austria. In sum, prosperity eluded the Soviet Union and its satellites. The economies and societies of the socialist camp stagnated, causing real hardships for the citizens of these countries. Socialist countries failed to react to developing trends; the technological revolution bypassed socialist countries at the same time as it brought the rest of the world closer together. In the age of modern mass media, the growing gulf in living conditions between the East and the West became increasingly evident. This created tensions in the Soviet bloc that could no longer be concealed. Having completely lost its legitimacy, the Soviet system was falling apart, fear was the only factor keeping it together. And even this began gradually to fade away. When this happened, the time for Communism was over.