



Communist Policy and Tactics 1962 – 1963, 1. hluti

Bjarni Benediktsson – Stjórnámál – Trúnaðarskýrslur – Communist Policy & Tactics

Tekið af vef Borgarskjalasafnsins

bjarnibenediktsson.is

Einkaskjalasafn nr. 360
Stjórnámálamaðurinn
Askja 2-39, Örk 1

©Borgarskjalasafn Reykjavíkur

CONFIDENTIAL

COMMUNIST POLICY AND TACTICS

MARCH 1962

The month was dominated by events (at Geneva and elsewhere), and no new trends emerged.

The Geneva Conference

2. Having failed to convert the Geneva Conference into a 17-power Summit, Khrushchev seems to have determined to keep the Soviet contribution to a purely routine level. Although the atmosphere in Geneva has been reasonably friendly, the Soviet positions have not altered in any important respect.

Disarmament

3. At the outset of the Conference Gromyko tabled a draft Treaty in 48 articles. Although Soviet propaganda has represented this as the "main document" before the Conference, it is in essence little more than a translation into treaty form of the Soviet proposals made at the United Nations General Assembly in 1960. The measures to which the Russians attach importance (especially the immediate discarding of nuclear delivery vehicles and the liquidation of foreign bases, both of which would be to their advantage) are spelt out in some detail, but nothing has been added concerning those measures in which the West is interested (verification, peace keeping machinery, conventional disarmament).

4. The Russians presumably remain convinced that in the long run the pressure of public opinion will force the Western governments to accept disarmament on something like the Soviet terms. As Khrushchev put it in his speech of March 16: "It is essential for the people to rise in one mighty stream and demand the ending of the armaments race. The peoples must seek the replacement of leaders who oppose disarmament and nominate people who really understand the interests of the people ... The key to peace lies in resolute action by the masses of the people."

Nuclear Tests

5. Soviet attacks on the principle of international control, inspection and verification in any form go back to the summer of 1961. It is possible that the decision to refuse international inspection was taken much earlier - perhaps after the Summit failure of 1960 - but concealed for tactical reasons. What is new is that this attitude has now been publicly confirmed in the most categorical terms by Gromyko and by Khrushchev himself. Khrushchev said in his speech of March 16 that an international system of verification "would concern itself with espionage - with military reconnaissance. This we will never accept."

6. The Soviet attitude on this point is probably conditioned by many factors, including the following:-

- (a) The Russians may well hope that sooner or later the West will be forced by the pressure of public opinion to accept an uncontrolled ban on nuclear tests.
- (b) They may genuinely want a test ban treaty on their own terms, but calculate that the cost of nuclear testing is not so burdensome that they cannot continue it for a little longer.

/(c)

- (c) They may want to be free to carry out further tests of their own. It may be believed in Moscow that a continuation of the nuclear arms race will reduce the United States lead in this field.
- (d) Meanwhile, they are unwilling to admit the principle of international verification of nuclear testing, for fear of being obliged to extend it to disarmament as a whole particularly the inspection of "remaining war potential".
- (e) Underlying this attitude is a pathological suspiciousness, and an extreme reluctance to jeopardise the secrecy which the Soviet Government regard as one of their chief strategic assets.

The unexpected revival (on March 23) of the former Soviet demand that France must be a party to any nuclear tests treaty may indicate that the motives in favour of postponing (at least) the conclusion of any such treaty are at present predominant.

Berlin

7. Nothing has happened during the month to suggest that the Soviet Government intend to provoke an early crisis on Berlin, whether by signing a separate peace treaty with East Germany or by really serious harassment of the Western position in Berlin itself or in the corridors. Khrushchev, in his latest speech, derided the Western attitude, but repeated yet again that the Soviet Government "does not adhere to any fatal deadlines for the conclusion of a German peace treaty", only balancing this with the remark that "those people are seriously mistaken who hope to stall endlessly a solution of this important problem". Mikoyan took the same line in speeches at the Leipzig Fair. Meanwhile the Russians continued to fly aircraft in the air corridors at times and altitudes uncomfortably close to those traditionally reserved for regular Western flights, and East German border police fired on one of the cars of the British military mission, seriously wounding the driver: but these incidents did not show a pattern of mounting hostility, and the Soviet intention still seems to be to keep the pot simmering but not to allow it to boil over. This probably explains why Gromyko felt able to accept in Geneva at the end of the month a joint statement with Mr. Rusk which describes their talks on the German problem as frank and useful and agrees that American/Russian contact should be resumed in an appropriate manner after consultations with allies. The Russians still seem to be interested in exploring the possibilities of achieving a negotiated settlement on Berlin with the Western Powers in advance of a separate peace treaty with the D.D.R. But the Russian terms for a settlement are just about as tough as ever.

Future Prospects

8. A meeting of the Supreme Soviet has been fixed for April 10. Its formal task will be to enrol its new members and to re-nominate the Government. It may well be preceded by a further meeting of the Party Central Committee, at which the real decisions will be taken.

9. Khrushchev can be expected to use the Supreme Soviet as a forum for a major speech. It is impossible to predict what he might say, but the following are among the possibilities:-

/(a)

- (a) On disarmament, he could make another propaganda gesture like the 30% cut in the Soviet armed forces which he announced in January 1960. For example, he might, say that the release of men under this programme, which was suspended in July, 1961, is now to be resumed.
- (b) On nuclear tests, a wide range of possible tactics is open to him. He could for instance offer to make some concession on the principle of international verification if the United States will cancel its proposed tests at Christmas Island. Alternatively, he could threaten to explode 100-megaton or even larger bombs in the Arctic if the United States tests are carried out. In either event, his objective would be either to deter the United States from testing, or at least to make it more difficult.
- (c) These moves might well be combined with a further initiative towards a Summit meeting.

The "National Liberation Struggle"

10. There have been a number of recent signs of Soviet and Chinese rivalry for the leadership and protection of the "national liberation movements":-

- (a) At meetings of the Communist front organisations since December, Chinese delegates have criticized the Soviet emphasis on disarmament, on the grounds that the "national liberation movements" need arms if they are to be victorious. In reply the Russians have developed the thesis that "general and complete disarmament" means in the first instance disarmament by the great powers, and will thus make it easier for the revolutionary movements to succeed. This Soviet line has now been enunciated at all levels, from articles in the theoretical journal Kommunist right up to Khrushchev himself, and loyally echoed in propaganda from the European satellites.
- (b) Soviet writers on these themes are adopting a more inflammatory tone. For example, the latest issue of Asia and Africa Today has items on Singapore and the British protectorates in South Africa, and also an editorial on "Scraps of Colonialism in Asia". The latter names Hong Kong, Singapore, Sarawak, North Borneo, Bahrain, Aden, Macao, West New Guinea and others, and declares that the day is not far distant when the wind of freedom will blow them to dust.
- (c) Soviet propaganda has made much of the fact that the Soviet Union was the first country to recognise de jure the provisional government of Algeria after the signature of the cease fire. (China however recognised the Algerian rebel government soon after its establishment in Cairo in September 1958, and accepted an Algerian envoy in Peking as early as July 1960).
- (d) The presidium of the World Peace Council met this month in Vienna to make preparations for the "World Congress" to be held in Moscow in July. Although the theme of this Congress is to be "General Disarmament and Peace", the longest of the three documents issued by the presidium is a call for the continuation of the "national liberation

/struggle".

struggle". Presumably the Russians acquiesced in this in order to undermine the Chinese challenge on this issue.

11. Figures have recently become available showing the increase in Soviet, satellite and Chinese broadcasting to various parts of the world in 1961. The following details may be a pointer to Communist hopes and priorities:-

<u>Broadcasts to</u>	<u>increase in 1961</u>
Africa	100%
Latin America	30%
Far East	8%
Non-Arab Middle East	5%
The Arab world	nil
Western Europe	nil

Taking the Soviet Union and China separately, it appears that Soviet broadcasts to the most sensitive areas increased by 17% (from 351 hours a week to 411), whereas Chinese broadcasts grew by 36% (from 493 hours to 669). Four fifths of the Chinese increase was in the Far East, while half the Soviet increase occurred in Africa and most of the rest in the Middle East. Latin America remains comparatively neglected by both Moscow and Peking, with broadcasts from Moscow comfortably predominating.

The Soviet Party Plenum

12. Contrary to expectation, the Plenum of the Soviet Central Committee seems to have confined itself to agriculture. The final resolution was in effect a synthesis of Khrushchev's opening and closing speeches, which in turn closely followed the line of the six speeches which he made to regional agricultural conferences in November, December and January.

13. In retrospect, two features of the meeting seem particularly important. First, Khrushchev defended his policy of raising the standard of living against "individual critics" who maintain that material abundance weakens Communist awareness. "Communism cannot be depicted as a table laid with empty plates and at which sit 'highly conscious' and 'completely equal' people. To invite people to such 'communism' is tantamount to inviting people to eat soup with a fork. This would be a caricature of communism". This jibe is clearly directed at the Chinese, and it is not surprising that the Plenum was reported only briefly and inconspicuously in Peking.

14. Secondly, a certain shift of emphasis is detectable between Khrushchev's first speech, when he stressed the importance of greater capital investment in agriculture, and his concluding speech four days later, when he declared: "The planned steps for augmenting assistance to agriculture do not mean that means will now be switched over to agriculture at the cost of the development of industry and the strengthening of the country's defence" and dwelt upon the enormous improvements which could be made simply by better use of the existing resources. The allocation of capital investment between defence, heavy industry, agriculture and consumer goods is known to have been the subject of much debate during recent months. The new policy for agriculture is something of a compromise in this respect: the supply of fertilisers and machinery is to be increased, but the farmers must also make better use of what they have already.

/The

The Chinese National People's Congress

15. The Congress should meet annually, but no meeting was held in 1961. This year a meeting was fixed for March 5 but postponed at 48 hours notice. The reasons for the postponement could well have been connected with the Sino-Soviet dispute, but could also have been purely administrative. The Congress actually opened on March 27.

16. No foreigners are being invited to attend the sessions; and nothing is being released to the press until the end of the meeting. This degree of secrecy is unusual and indicates that the subjects under discussion are particularly controversial or embarrassing. They almost certainly include the question of relations with Moscow. The Congress was preceded by a meeting of the Supreme State Conference at which "important speeches" were made by Liu Shao-chi and Chou En-lai. In the past, meetings of this body have usually preceded some important development in internal policy: in 1956, for example, it was at this conference that Mao Tse-tung launched the "hundred flowers" movement. This again suggests that important decisions may be made.

Chronology

March

- 2 President Kennedy announced United States decision to conduct nuclear tests unless a test ban treaty were signed.
Chinese National People's Congress, scheduled for March 5, was postponed.
- 3 Khrushchev wrote to Prime Minister and President Kennedy agreeing to the opening of the Geneva Conference at Foreign Minister level.
- 3-6 Mikoyan in Leipzig.
- 5 Soviet-East German Trade protocol and credit agreement for 1962 signed at Leipzig Fair.
- 5-9 Plenum of Central Committee of CPSU in Moscow. (Speeches by Khrushchev, March 5 and 9: Final Resolution, March 9).
- 6 Fifth Thompson-Gromyko talk.
- 7 President Kennedy wrote to Khrushchev about space cooperation: Khrushchev replied, March 20.
- 8 2-year cultural agreement signed between U.S.A. and Soviet Union.
- 10 East German Border Police fired on Brixmis car; driver seriously wounded.
Chaff dropping reported in the Berlin air corridors.
Balkan Co-operation meeting held in Sofia (Albania later protested at exclusion).
- 11 Lord Home, Mr. Rusk and Gromyko met at Geneva.
- 12-20 Marshal Malinovsky in Morocco.
- 14 Disarmament Conference opened at Geneva.
- 15 Gromyko presented Soviet draft disarmament treaty.
- 16 Khrushchev's Supreme Soviet election speech.
- 17-18 Presidium of World Peace Council met in Vienna.
- 18 Elections to Supreme Soviet.

CONFIDENTIAL

COMMUNIST POLICY AND TACTICS

MARCH 1962

The month was dominated by events (at Geneva and elsewhere), and no new trends emerged.

The Geneva Conference

2. Having failed to convert the Geneva Conference into a 17-power Summit, Khrushchev seems to have determined to keep the Soviet contribution to a purely routine level. Although the atmosphere in Geneva has been reasonably friendly, the Soviet positions have not altered in any important respect.

Disarmament

3. At the outset of the Conference Gromyko tabled a draft Treaty in 48 articles. Although Soviet propaganda has represented this as the "main document" before the Conference, it is in essence little more than a translation into treaty form of the Soviet proposals made at the United Nations General Assembly in 1960. The measures to which the Russians attach importance (especially the immediate discarding of nuclear delivery vehicles and the liquidation of foreign bases, both of which would be to their advantage) are spelt out in some detail, but nothing has been added concerning those measures in which the West is interested (verification, peace keeping machinery, conventional disarmament).

4. The Russians presumably remain convinced that in the long run the pressure of public opinion will force the Western governments to accept disarmament on something like the Soviet terms. As Khrushchev put it in his speech of March 16: "It is essential for the people to rise in one mighty stream and demand the ending of the armaments race. The peoples must seek the replacement of leaders who oppose disarmament and nominate people who really understand the interests of the people ... The key to peace lies in resolute action by the masses of the people."

Nuclear Tests

5. Soviet attacks on the principle of international control, inspection and verification in any form go back to the summer of 1961. It is possible that the decision to refuse international inspection was taken much earlier - perhaps after the Summit failure of 1960 - but concealed for tactical reasons. What is new is that this attitude has now been publicly confirmed in the most categorical terms by Gromyko and by Khrushchev himself. Khrushchev said in his speech of March 16 that an international system of verification "would concern itself with espionage - with military reconnaissance. This we will never accept."

6. The Soviet attitude on this point is probably conditioned by many factors, including the following:-

- (a) The Russians may well hope that sooner or later the West will be forced by the pressure of public opinion to accept an uncontrolled ban on nuclear tests.
- (b) They may genuinely want a test ban treaty on their own terms, but calculate that the cost of nuclear testing is not so burdensome that they cannot continue it for a little longer.

/(c)

COMMUNIST POLICY AND TACTICS

DECEMBER 1962.

The month has been marked by a further deterioration of Soviet relations with the Chinese. Soviet statements on relations with the West continue to emphasise the need for mutual concessions and negotiation; but there is still no evidence of any fundamental changes in Soviet long-term policy.

SOVIET POLICY ON EAST-WEST RELATIONS

Khrushchev made another vigorous attempt to blur the fact that it was the Soviet decision to install offensive medium and intermediate range missiles in Cuba which led to the Cuban crisis and to claim instead the credit for having resolved it. He and Gromyko on December 12 and 13 continued to stress the need for compromise between the Soviet Union and the West based on mutual concessions, and the supreme importance of avoiding nuclear war; Gromyko embellished the first theme by calling for Soviet-American understanding as the only basis for the solution of major problems.

But there has still been no clue, from Geneva or elsewhere, that the Russians are prepared to come to terms with the West on any substantive question in dispute. Indeed there are already signs that when a propitious moment arrives the Russians plan to renew their pressures on the West. A leading article in the December issue of "Problems of Peace and Socialism" emphasised that compromises made in the name of peaceful coexistence were only permissible in pursuit of the main strategic aim - the global victory of communism; i.e. that they could not be other than tactical. Moreover, defence expenditures for 1963 announced in the Soviet Finance Minister's Budget speech of December 10 did not suggest that the Soviet Government see themselves faced, after Cuba, with a need to come to terms with the West. Although there is no sign of a crash programme of rearmament, they showed an intention to maintain the very high level of defence expenditure set in the 1961-2 programmes, and thus to continue with the "long haul" towards improving the credibility of the Soviet deterrent.

It seems likely therefore that the Russians, while continuing to place increasing stress on the economic struggle with the West (a trend of which there have been signs since mid 1962) will in due course, and when their reappraisal of their position after Cuba is complete, look round again for points at which they can bring pressure to bear on Western interests. They will probably consider Latin America and Berlin dangerously sensitive areas at least for the time being; but there will no doubt be opportunities in 1963 for trouble-making in the Middle East, South East Asia and Africa, all of which contain areas of unrest.

/SINO-SOVIET RELATIONS

SINO-SOVIET RELATIONS

The two giants have given up the pretence, in all but name, that their polemics are not directed at each other, and recrimination over the Cuban affair, the Sino-Indian dispute and the Soviet rapprochement with Yugoslavia have reached a peak unprecedented in the annals of intra-bloc abuse. Khrushchev in his speech to the Supreme Soviet on December 12 gave a blunt and provocative answer to Chinese criticisms of his Cuban policy, accused the Albanians and their supporters of some of the worst heresies in the canon, and stated firmly that the Soviet reconciliation with Yugoslavia would continue. The Chinese riposted swiftly by attributing to him the error of "adventurism" in installing missiles in Cuba in the first place, as well as the sin of "capitulationism" - the pursuit of a long-term policy of surrender to the United States - a symptom of which was the removal of the missiles in the face of United States pressure. Another frequent Chinese charge, repeated on December 31 in an attack in the "People's Daily" on Togliatti and "certain other comrades", was that of sacrificing Cuban sovereignty to reach a compromise with the United States. The Chinese have also argued that since the Russians started the schism within the bloc by attacking the Albanians, it was up to them to take the initiative in restoring unity; they have also made considerable play with their appeal for a Conference of the Communist Parties of the world, ostensibly to compose the differences within the bloc.

There is still a fabric of relations between Peking and Moscow. Both remain committed to the global victory of communism even if they differ violently on how the objective should be reached; State and Party relations continue; long-standing links at low and middle-grade levels persist in the scientific, technological and cultural fields. In spite of the fall in trade between the two countries, part of which can be attributed to China's shortage of foreign exchange, the Soviet Union remains China's largest trading partner and there is no reason to believe that the Russians have refused the Chinese supplies for example of oil, for which China is heavily dependent on the U.S.S.R.

Looking to the future, however, it seems most unlikely that a Conference of World Communist Parties for which Peking has called could do anything to arrest the deterioration in Sino-Soviet relations. Its proceedings would probably be most acrimonious and would almost certainly lead to a failure to agree on the contents of any new statement of policy. Two separate statements might then emerge, and the myth of unity would vanish. But Khrushchev himself must feel even surer than he was at the Conference of 81 Parties in November 1960 that the overwhelming majority will side with the Russians if the Chinese force their appeal through and a Conference is held.

Thus the prospect for inter-Party relations is bleak. Inter-state relations might prove more durable, as they did between Yugoslavia and the Soviet Union, and even Yugoslavia and China, after 1958. Economic contacts could continue to be reduced, with the result that the Chinese might be compelled to trade more with Japan and the West. The prospects of reconciliation between the two sides are more remote than ever. Khrushchev's recent statements and acts show that he is

/determined

CONFIDENTIAL

determined to push ahead with the policies he judges best suited to Soviet interests and with the economic integration of the East European bloc (plus Mongolia); the Chinese are equally firm in their refusal to compromise on basic issues or on their interpretation of positions agreed in the Moscow Declaration of 1957 and 1960. At best not much more than the maintenance of formal relations and the present low level of technical and economic links between the two countries can be expected; a continuing deterioration of relations seems more likely, but it is impossible to judge its pace.

SINO-INDIAN BORDER

While the Indians have reiterated their refusal to negotiate a border settlement on Chinese terms, China has been making a show of reasonableness in reaching border agreements with other neighbouring countries. On December 26 a Sino-Mongolian Boundary Treaty was signed in Peking and on December 27 it was announced that "complete agreement in principle" had been reached between China and Pakistan on the alignment of the boundary between Sinkiang and "areas for whose defence Pakistan is responsible".

The timing of these agreements can hardly be coincidental and Peking no doubt intended them as a means of putting further pressure on India, by demonstrating to the uncommitted world that it is the Indians who are unreasonable and who refuse to negotiate. The Chinese also probably calculated that the announcement of the agreement with Pakistan could spoil the atmosphere for the talks between India and Pakistan on the Kashmir issue, and thus make life difficult for the Indians in this sphere too.

NUCLEAR TESTS

Nobody can have known better than the Soviet delegate Tsarapkin, when he put forward a concrete proposal on "black boxes" for the first time at Geneva on December 10, that his suggestion would be completely unacceptable to the West. It had been made clear to him on several occasions that automatic seismic stations could provide only a supplementary means of verification and could not be considered a substitute for on-site inspection. The Soviet offer therefore constituted no more than a tactical move designed to enable the Russians to play out time in the face of neutral pressure while their own test series ran its protracted course. The offer is however of some interest as being the first qualified breach, since summer 1961, in the Soviet line of no international inspection on Russian soil under any circumstances.

GERMANY AND BERLIN

There have been further indications of Soviet re-thinking on Berlin in the light of Cuba. The Russians have muted for the present their threat to sign a separate treaty with the D.D.R. They seem to have accepted that there is no chance of removing the Western presence in Berlin for the time being but this does not mean that they have abandoned their aim of getting the West out of the city when they are strong enough. The hints by Khrushchev and Gromyko in their speeches to the Supreme Soviet on December 12 and 13 about a "United Nations Flag" in West Berlin were vague and offer no clear evidence that the Russians are willing to conclude a Berlin deal on terms acceptable to the West.

/Ulbricht's

Ulbricht's speeches in Cottbus on December 2 and Leipzig on December 9 reflected the change in tactics. While making it clear that a peace treaty remained the long term goal, he said that no speedy advance towards a solution of the Berlin problem could be expected. In the meantime economic tasks must take priority. He seemed to be reckoning on a Western presence in Berlin over a period of years. Accordingly he appears to have dropped his plans for making East Germany economically independent of the Federal Republic. His aim now seems to be to trade more with West Germany on the most generous credit terms obtainable.

YUGOSLAVIA

The Soviet-Yugoslav rapprochement continues apace. Both sides had reason to be satisfied with President Tito's visit to the Soviet Union which ended on December 20, although the Yugoslavs made the most obvious gains. Khrushchev's statement in his speech to the Supreme Soviet that Yugoslavia was a "socialist country" was a striking concession to Yugoslavia's claims about her own status; it went far beyond Khrushchev's own comments on Yugoslav socialism made at Varna last May, and the October communiqué following Brezhnev's visit. It was also a clear indication that the Soviet Government intended to continue with their policy of developing ties with Yugoslavia in spite of admitted divergencies on ideological questions. Moreover Khrushchev seemed to be holding out Yugoslavia as an example to other countries who might be thinking of embracing "socialism" in order to persuade them that close ties with the Soviet Union were not incompatible with independent views and status.

President Tito was careful not to imply that Yugoslavia was within a step or two of rejoining the bloc, or of seeking formal membership of bloc organisations. He has gone out of his way both during the visit and since his return to Yugoslavia to stress that he retains his freedom of action and is still "uncommitted." If the Yugoslavs were to hanker after still further legitimation from Moscow it would involve them in some concession, such as, for example, a revision of the Party Programme of 1958. The only hint that the Yugoslavs have so far given in this direction is that they now seem prepared to acknowledge that Soviet military strength is employed for peaceful purposes alone. The failure to distinguish between the two military blocs by such an admission has been one of the most objectionable features, in Russian eyes, in the 1958 Programme.

COMMUNIST ATTITUDES TOWARDS WESTERN ECONOMIC INTEGRATION

(a) W.F.T.U. Meeting at Leipzig.

At the Leipzig meeting of the World Federation of Trade Unions in mid-December, the Italian delegation representing the Communist and Nenni Socialist Trade Union, Confederazione Italiana Generale di Lavoro (C.G.I.L.) failed once again to get official blessing for its policy of dealing with the Common Market as a fact of economic life. The Italians have been pressing publicly for acceptance of this proposition since December 1961, with intermittent support from the Poles, Czechs and Yugoslavs; the latter are directly

/affected

affected by the common E.E.C. external tariff and a more flexible attitude towards the Six would give them more chance to negotiate mutual concessions. The Italian proposal was fiercely criticised on orthodox anti-E.E.C. lines by the Secretary General of W.F.T.U. with guarded support from the Russian and French delegations; the Italians, however, were inpenitent and the meeting ended, most unusually for a 'Front' organisation, in deadlock. The C.G.I.L., with prompting from its Nenni Socialist element and support from the Poles, seems determined that W.F.T.U. should open an office in Brussels and work from inside rather than outside the Six.

(b) CMEA Meeting at Bucharest

The Executive Committee of the Council for Mutual Economic Assistance (the economic counterpart of the Warsaw Pact) which met during the plenary session of CMEA in Bucharest in mid-December 1962, made some decisions which if implemented could have far-reaching effects. The Committee resolved to set up a Bank of the Socialist Countries, which would provide funds for large investment projects and would ultimately be the centre of a multi-lateral clearing system, and to revise prices used in Bloc trade. Multi-lateral trading can make little real progress unless revised, realistic prices are introduced; although proposals for such reform have been made in the past little has been done, no doubt largely because of the very great practical difficulties involved. A new Commission for Currency and Financial Affairs is also to be set up. None of these ideas is new; some were put forward by Khrushchev in his speech to the CMEA Meeting last June. They have now however been endorsed as official CMEA policy for the first time and this may mean that some action is at last to be taken.

A notable omission from the final communiqué was any reference to decisions on a unified planning body or to an increase in the authority of CMEA, which can at present only make recommendations. However, it is possible that these subjects will be discussed and decisions on them taken at a meeting of high party officials from CMEA countries in Moscow later this month.

CONFIDENTIAL

CHRONOLOGY

December

1. Chinese forces on Sino-Indian frontier began withdrawal to positions behind "line of actual control" of November 7, 1959.
2. Ulbricht's speech at Cottbus.
- 2 - 8 10th Congress of Italian Communist Party
3. Koslov spoke at Italian Congress
- 4 - 8 12th Congress of Czechoslovak Communist Party
- 4 - 20 President Tito on "unofficial" visit to the Soviet Union.
- 5 - 8 Khrushchev-Tito talks in Moscow.
- 9.9 Ulbricht's speech at Leipzig
- 10 - 13 Meeting of the Supreme Soviet of the U.S.S.R.
10. Dymshits presented State Plan for 1963
Gorbuzov presented State Budget for 1963
Pan Tzu-Li, new Chinese Ambassador arrived in Moscow.
- 10 - 19 C.R. Rodriguez led Cuban Trade Delegation at talks in Moscow.
- 10 - 12 Colombo Conference of six non-aligned states met to mediate in Sino-Indian dispute.
12. Khrushchev's speech on foreign affairs at the Supreme Soviet.
13. Gromyko and President Tito spoke at the Supreme Soviet.
- 13 - 17 W.F.T.U. Meeting at Leipzig.
- 14 - 20 17th Ordinary Session of CMEA at Bucharest (Third Executive Committee of CMEA met from December 16 - 20).
15. New China News Agency published text of Chinese appeal for a Conference of World Communist Parties.
15. People's Daily published editorial accusing Khrushchev of "adventurism" and "capitulationism".
26. Sino-Mongolian Boundary Treaty signed in Peking.
27. Announcement of "complete agreement in principle" between China and Pakistan on boundary settlement affecting Sinkiang and part of Kashmir.
27. Khrushchev's letter accusing Dr. Adenauer of warmongering published.
- 27 - 28 Gomulka-Khrushchev talks at Kiev.
31. People's Daily editorial "The differences between Comrade Togliatti and ourselves."

CONFIDENTIAL

Einkaskjalasafn Bjarna Benediktssonar © Borgarskjalasafn Reykjavíkur

(1681/63)

PERSONAL AND
CONFIDENTIAL



With the compliments of
HER BRITANNIC MAJESTY'S
EMBASSY

His Excellency
Mr. Bjarni Benediktsson,
Ministry of Justice.

BRITISH EMBASSY
REYKJAVIK

October 21, 1963

CONFIDENTIAL

AND TACTICS

1963

AT THE UNITED NATIONS

United Nations confirmed the Soviet sphere of détente with the West Test Ban Treaty. In proposing a government from countries taking a permanent Committee, he gave the West in further progress in plans can hardly believe that so practical results unless the ground is paved by detailed discussions.

retention by the United States and number of nuclear delivery vehicles in final stage of disarmament meets objections which the Western Powers "Kosygin proposal" advanced at last was for the retention of a limited number of vehicles until the end of the second round only become apparent when the Geneva round of the United Nations debates on the Soviet Union is ready to make real it is stated that the Soviet Union was now ready to accept the United States to ban the nuclear arms race - a measure which the West

has advocated. Hitherto the Russians have taken the line that they were not prepared to discuss such a ban except in the context of a comprehensive disarmament agreement. It may well be in this area that the Russians are likely to seek a further limited agreement with the West to assist in the maintenance of an atmosphere of détente.

3. In spite of their adoption of a generally conciliatory line on disarmament, the Russians have given no indication that they will relax their attempt to portray themselves as the only serious supporters of the interests of the Afro-Asian countries. They will certainly make what use they can of colonial issues as a stick to beat the West. They are likely to canvass support for their contention that peace-keeping operations are the exclusive responsibility of the Security Council; and that the General Assembly cannot assume responsibility for them and certainly not for apportioning peace-keeping costs amongst member states. By these tactics they will hope to muster sufficient support in order to avoid losing their vote in the General Assembly next year because of their refusal to contribute anything to the cost of the United Nations operations in the Congo and the Middle East.

SOVIET AID TO DEVELOPING COUNTRIES

4. While the Russians seek to create an atmosphere of détente towards the West, they are in no way relaxing their struggle for influence among the developing countries. Indeed, Khrushchev may well feel that the more conciliatory he is towards the Western powers, the more dynamism he must show in the uncommitted world. The previous downward trend in Soviet grants of credits to developing countries (the 1962 figure was little more than a third of the level reached in 1959 and 1960) seems now to have been reversed; and Soviet offers of credit are once again on the increase (overall Soviet military aid to the developing countries has been heavily on the increase for some time). The recent 100 million dollar credit offer to Algeria is one of the largest

/initial

CONFIDENTIAL

CONFIDENTIAL

COMMUNIST POLICY AND TACTICS

SEPTEMBER 1963

DISARMAMENT AND SOVIET TACTICS AT THE UNITED NATIONS

Gromyko's speech at the United Nations confirmed the Soviet intention to maintain the atmosphere of détente with the West following the signature of the Test Ban Treaty. In proposing a meeting next year of Heads of Government from countries taking part in the 18-Nation Disarmament Committee, he gave the impression of keen Soviet interest in further progress in disarmament; though the Russians can hardly believe that so large a meeting could achieve practical results unless the ground had been fully prepared in advance by detailed discussions.

2. His offer to permit the retention by the United States and the Soviet Union of a limited number of nuclear delivery vehicles until the end of the third and final stage of disarmament meets one - but not all - of the objections which the Western Powers have made to the so-called "Gromyko proposal" advanced at last year's General Assembly (this was for the retention of a limited number of nuclear delivery vehicles until the end of the second stage only). It will probably only become apparent when the Geneva Conference resumes after the end of the United Nations debates on disarmament whether or not the Soviet Union is ready to make real progress. Gromyko also indicated that the Soviet Union was now ready to reach an agreement with the United States to ban the placing of nuclear weapons into orbit - a measure which the West has advocated. Hitherto the Russians have taken the line that they were not prepared to discuss such a ban except in the context of a comprehensive disarmament agreement. It may well be in this area that the Russians are likely to seek a further limited agreement with the West to assist in the maintenance of an atmosphere of détente.

3. In spite of their adoption of a generally conciliatory line on disarmament, the Russians have given no indication that they will relax their attempt to portray themselves as the only serious supporters of the interests of the Afro-Asian countries. They will certainly make what use they can of colonial issues as a stick to beat the West. They are likely to canvass support for their contention that peace-keeping operations are the exclusive responsibility of the Security Council; and that the General Assembly cannot assume responsibility for them and certainly not for apportioning peace-keeping costs amongst member states. By these tactics they will hope to muster sufficient support in order to avoid losing their vote in the General Assembly next year because of their refusal to contribute anything to the cost of the United Nations operations in the Congo and the Middle East.

SOVIET AID TO DEVELOPING COUNTRIES

4. While the Russians seek to create an atmosphere of détente towards the West, they are in no way relaxing their struggle for influence among the developing countries. Indeed, Khrushchev may well feel that the more conciliatory he is towards the Western powers, the more dynamism he must show in the uncommitted world. The previous downward trend in Soviet grants of credits to developing countries (the 1962 figure was little more than a third of the level reached in 1959 and 1960) seems now to have been reversed; and Soviet offers of credit are once again on the increase (overall Soviet military aid to the developing countries has been heavily on the increase for some time). The recent 100 million dollar credit offer to Algeria is one of the largest

/initial

CONFIDENTIAL

initial offers ever made by the Russians to an African country. There are also unconfirmed reports that the Soviet Union may be contemplating a very substantial offer of aid to India for the new Five-Year Plan. It appears that foreign aid is also becoming a field of Sino-Soviet rivalry; a recent Soviet newspaper report has stated that the Chinese are inciting certain Asian countries to refuse Soviet assistance.

THE SINO-SOVIET DISPUTE

5. The increasingly bitter polemics exchanged between Moscow and Peking have (to quote the Chinese article of September 6) "pushed Sino-Soviet relations to the brink of a split and carried differences in the communist movement to a new stage of unprecedented gravity". Having chosen the path of public insult, it seems unlikely that the Soviet and Chinese Parties will see any purpose in reopening bilateral discussions in the foreseeable future in spite of the undertaking to do so given in the communiqué issued at the end of the Moscow talks in July. But neither side seems prepared to take the initiative in breaking off diplomatic relations or severing the remaining trade links.

6. The exacerbation of the dispute has led to the unprecedented revelation of aspects of their defence relationship which they have hitherto done their best to conceal and there may well be further revelations to come. Certain incidents in the border dispute between the two countries have also been brought out into the open for the first time. It was the Chinese who made the running by alleging that in April and May 1962 the Soviet authorities enticed tens of thousands of "Chinese citizens" across the border and had subsequently refused repeated Chinese requests for their return to China, so that "to this day the issue remains unsettled". Other reports indicate that at that time a number of Kazakhs from Sinkiang did in fact seek refuge in Soviet Kazakhstan and have not been sent back to China. In replying the Russians have alleged systematic Chinese violations of the Soviet border (5,000 such violations in 1962 alone) and attempts by the Chinese to "develop" parts of Soviet territory while evading Soviet offers of consultations. Coupled with Soviet charges of Chinese racialism and chauvinism, these accusations are calculated to appeal to Russian national sentiment. In criticising the Chinese for their failure to settle their border problem with India by negotiation, the Russians now appear to be using the issue to show African and Asian countries that China is aggressive and disloyal to the spirit of Bandung. The latest Soviet Government statement on the dispute ends with a warning to the Chinese that "a most resolute rebuff" awaits them if they continue their hostile actions. Frontier incidents are likely to continue (especially in the Ili region of Sinkiang, where discontent among local Kazakhs and a flat, open borderland make further incidents probable). But there are no indications that the Chinese are in fact planning to seize any section of Soviet-held territory; and it seems most unlikely that they would invite a military clash with the Soviet Union at the present time. Therefore, while Chinese complaints about unequal past treaties and recriminations from both sides over minor frontier incidents are likely to continue, the border dispute will probably remain mainly a war of words.

CHINESE ACTIVITIES IN FRONT ORGANISATIONS AND COMMUNIST PARTIES

7. The struggle for power within "front" organisations and Communist parties continues. Soviet preponderance in some "front" organisations has driven China to boycott meetings at which she was likely to be isolated. Although a Chinese delegation did

/attend

CONFIDENTIAL

attend the recent meeting of the Executive Committee of the Afro-Asian Peoples' Solidarity Organisation (A.A.P.S.O.) in Nicosia, the Russians seem to have regained ground lost to the Chinese earlier in the year at Moshi; the Chinese and the Indonesians failed in particular to obtain endorsement for the holding of an Afro-Asian Writers' Conference this Autumn in Djakarta independently of the A.A.P.S.O. of which the Russians are members. The latest Chinese move is the establishment of the Peking Centre of the World Federation of Scientific Workers announced on September 25. It seems likely that these developments have set the pattern of Chinese activity in "front" organisations in the future; and that where the Chinese are unable to exclude the Russians, they will form their own separate "front" organisations under Chinese control.

8. The rivalry between the two largest Communist powers is causing severe strains within other Communist parties. Splinter groups opposing the Moscow line have already appeared within the Communist parties of Brazil, Belgium, Switzerland, Italy and Australia; and pro-Chinese factions and sympathisers in those of Austria, Iceland, Chile and Mexico. The Japanese and Indonesian Communist parties are pro-Chinese in orientation, though the former has pro-Russian splinter groups and the latter stresses its independent stand. In seeking to reduce Soviet influence, the Chinese have emphasised to Communist parties in power the importance of national "self-reliance" in the economic and defence fields. For the moment the Russians appear to be getting the best of this struggle. They have also stolen a tactical advantage in giving publicity to proposals from other Communist parties advocating a meeting of world Communist parties to try to resolve Sino-Soviet differences, knowing full well that the terms of reference are unacceptable to the Chinese.

CUBA

9. Casto's unwillingness to come out in open support of the Soviet Union in the dispute with the Chinese, his failure to sign the Test Ban Treaty (which may in part derive from emotional anti-Americanism) and his renewed advocacy of violent revolution in Latin America will have given the Russians some cause for concern. Soviet impatience with Casto on these three matters was revealed in an article in Pravda on September 12 which, although reaffirming Soviet support for Cuba, called on Casto to normalise his relations with the United States and pointedly praised the Test Ban Treaty. Casto, however, shows no sign of yielding to psychological pressure from the Soviet Union and probably estimates that, since the Russians are unlikely to bring economic pressure to bear on him at present as this would lead to the rapid collapse of the Cuban economy, he can afford to indulge his heretical tendencies. But he must realise that China could not replace Soviet economic or military aid if this were withdrawn. This factor has in the past acted as a brake on his inclinations and will probably continue to do so.

SOVIET INTERNAL TRENDS

Grain imports and harvest prospects

10. The last month has brought news of large Soviet wheat and wheat flour purchases from Canada and Australia, and of discussions about possible further purchases in the United States. Total Soviet imports from the first two countries will amount to almost 8 million tons. Normally the Soviet Union is a net exporter of grain; in 1962 they exported about 8 million tons, principally to East European countries and to Cuba. Therefore the wheat already purchased will be adequate to cover all Soviet exports if they are maintained at their 1962 level. But demand for wheat

/from

CONFIDENTIAL

CONFIDENTIAL

from East European countries may be higher than in 1962 and Soviet purchases may be designed partly to anticipate it. These purchases will make a large inroad into Soviet holdings of foreign exchange and the Russians have begun selling gold again in the last few weeks, probably in order to meet the need for foreign exchange to finance wheat purchases.

11. It would appear that the Soviet harvest has been worse than was foreseen and also that home consumption has exceeded expectations. As late as August Khrushchev was apparently still expecting that the harvest would about equal the record 1962 yield, but subsequent press reports have been more pessimistic. From figures quoted in a recent TASS review, it is evident that State procurements of grain this year will fall well short of Khrushchev's target. At the same time consumption must have risen as a result of population growth, a reduced acreage under non-grain feeding stuffs and probably a higher consumption of bread on account of the shortage of potatoes.

Defence Expenditure

12. Khrushchev has suggested that Soviet defence expenditure will level off next year or be reduced. There can be no doubt that the Soviet economy would benefit from lower defence expenditure; the demands of defence and the space programme, heavier than foreseen, have added to pressure on key materials and on the most advanced equipment and qualified personnel. Additional resources are also needed for the planned increase in capital investment in the chemical industry and agriculture. In spite of this, appropriations for defence published at the end of last year gave no indication that the Soviet Union was then contemplating a reduction of military expenditure. In the absence of hard evidence of any overall cut in Soviet arms programmes, the only safe assumption is that the Russians will continue to improve the effectiveness of their armed forces. But at least a check in the rise of the defence estimate could be achieved without any real loss of military strength by greater efficiency in the defence industry (Khrushchev has himself referred to its "untapped resources for increased production") and by calling up fewer conscripts i.e. a reduction in the size of the conventional forces.

Ideology

13. Currently the main preoccupation of Soviet ideologists is with keeping up the Soviet end in the dispute with China. One consequence of this has been some falling-off in the volume of condemnation of Western ideological infiltration, although the occasional articles about foreign plays, music or literature make it clear that officialdom is as anxious as ever that the Soviet public should not be overexposed to alien unorthodoxy. A confused lull hangs over the domestic cultural scene. August saw some friendly literary sparring at the Leningrad European Writers' Conference, but also the creation of another cultural watch-dog committee in the form of a new State Committee for the Press. Of those writers who were latterly under a cloud, Ehrenburg reappeared at the Leningrad Conference while Evtushenko bobbed up more recently with another of his doubled-edged poems.

CONFIDENTIAL

CHRONOLOGY

- August 20 - September 3 Mr. Khrushchev visited Yugoslavia.
- September 1 The Chinese Government issued a statement commenting on the Soviet Government's statement of August 21. The Chinese statement attacked the Soviet decision to sign the Test Ban Agreement and reiterated the correctness of the Chinese stand on peace and war.
- September 1 - 7 Mr. Koca Popovic, the Yugoslav Foreign Minister, visited Poland.
- September 2 Air Vice-Marshal Omar Dani, the Indonesian Minister and Commander in Chief of the Air Force, arrived in the Soviet Union.
- September 3 Izvestiya article "The Demagogue's Smoke Screen" upbraided the Chinese for their inaction over Hong Kong.
- September 5 The Chinese Embassy in Moscow announced that a demonstration took place outside their Embassy on September 2.
- September 6 The People's Daily and Red Flag published an article on "The Origin and Development of the differences between the leadership of the C.P.S.U. and ourselves", which included revelations on Sino-Soviet defence and border disagreements.
- September 6 The Soviet Embassy in Washington handed over a note to the State Department denouncing the Chinese Nationalists' signature to the Test Ban Treaty.
- September 9 - 20 The President of the Board of Trade, Mr. Erroll, visited the Soviet Union and met Mr. Khrushchev on September 11.
- September 9 - 12 Mr. Kadar, the Hungarian Prime Minister, visited Yugoslavia.
- September 9 The Soviet Ambassador delivered a Note to the Chinese Minister of Foreign Affairs about incidents involving Soviet officials and Chinese train crews and passengers at the border station of Naushki on September 7.
- September 9 - 14 Warsaw Pact forces manoeuvres took place in East Germany.
- September 13 The People's Daily and Red Flag published an article "On the question of Stalin ..." which contained a bitter personal attack on Khrushchev.
- September 13 Izvestiya, in an article entitled "Schismatics in League", accused the Chinese of being in league with Trotskyites.
- September 14 Liu Shao-chi left Peking for a visit to North Korea.

/September

CONFIDENTIAL

- September 16 The Chinese Minister of Foreign Affairs protested to the Soviet Embassy at the "brutal treatment" of Chinese citizens in the incident at Naushki station.
- September 17 The Yugoslav Minister of Defence, General Gosnjak, arrived in the Soviet Union.
- September 18 - 23 President Tito visited Brazil.
- September 19 In the United Nations General Assembly Mr. Gromyko announced a Soviet proposal to summon an 18-Nation summit conference on disarmament in the first part of 1964.
- September 19 The Pravda article "A Serious Hotbed of Tension in South East Asia" attacked the Chinese attitude in the Sino/Indian border conflict.
- September 20 - 21 The Soviet Government published a two-part statement on "China and the Nuclear Test Ban", which accused the Chinese of frequent violations of the Soviet border.
- September 21 The Czech News Agency announced Government and Party changes including the dismissal of the Prime Minister, Siroky.
- September 23 President Tito arrived in Chile.
- September 25 The Presidium of the U.S.S.R. Supreme Soviet ratified the Test Ban Treaty.
- September 26 The People's Daily and Red Flag published an article "Is Yugoslavia a Socialist Country?", attacking recent Soviet policy towards Yugoslavia.

(1681/64)

PERSONAL AND
CONFIDENTIAL



With the compliments of

HER BRITANNIC MAJESTY'S
EMBASSY

His Excellency
Mr. Bjarni Benediktsson,
Prime Minister of Iceland.

BRITISH EMBASSY
REYKJAVIK

February 11, 1964

CONFIDENTIAL

POLICY AND TACTICS

1963

aged in a major effort to project and economic development and it is the pattern for some time to come. three moves in this direction: 1. A message from the Chairman of the Central Committee of the CPSU to the people of the USSR, leads of State and Prime Ministers, 2. A declaration of force in the settlement of the Berlin question, and so, although Khrushchev has made a partial relaxation of tension in East-West relations in 1964 and has said that the Soviet Union has "many proposals" to improve Soviet relations with the West, but he has put forward no new, 3. A proposal for a world-wide agreement on settling territorial disputes (his proposal for a world-wide agreement on settling territorial disputes fall into this category). There are many items on his list of issues on which agreement is possible: observation posts, the reduction of military forces, if advocated until recently. He is also sympathetic to the idea that some

rather than by way of international agreements and in this connexion has called on other states to follow the Soviet Union in reducing military expenditure.

2. There has also been a revival of the practice of floating ideas through the Poles. Gomulka, in a major speech for which he must have had some form of Soviet approval, put forward his suggestions on how progress might be sought in East-West relations. In contrast with Khrushchev, he described measures to prevent surprise attack as a proposal ripe for negotiation. He also referred in the same terms to the conclusion of a non-aggression pact between NATO and the Warsaw Pact and proposed the freezing of nuclear arms and perhaps also the "limitation" of conventional forces in central Europe. He did not apparently make any formal link between these various proposals, but it seems probable that the Poles are hinting at some kind of "package". The object is presumably to try to stimulate Western reactions, but without committing the Poles and, a fortiori, the Russians to anything precise.

BERLIN

3. There was nothing new in Khrushchev's recent reference to the urgent need for a solution of the German problem, but here again there has been a change in tactics. Agreement was reached between a representative of the East German regime and a representative acting on behalf of Herr Brandt, the Governing Mayor of Berlin, whereby West Berliners could obtain passes to visit their relatives in East Berlin over the Christmas period. The terms of the agreement were a reasonable compromise; they did not involve recognition of the East German regime, but they did perhaps slightly increase its prestige. This was no doubt one of the objectives which the East Germans sought in proposing the arrangement. They were probably also seeking support for Communist propaganda about the separate status of West Berlin and a means of drawing the West Berlin Senate into discussions with the East Germans which could lead to an erosion of non-recognition. But

/it

CONFIDENTIAL

CONFIDENTIAL

COMMUNIST POLICY AND TACTICS

DECEMBER 1963

EAST-WEST RELATIONS

The Soviet government is engaged in a major effort to project itself as a regime bent on peace and economic development and it seems likely that this will be the pattern for some time to come. During December, there have been three moves in this direction: Khrushchev's speeches to the Plenum of the Central Committee of the Soviet Communist Party, his New Year message to the people of the United States and his letter to Heads of State and Prime Ministers proposing an agreement on the repudiation of force in the settlement of all territorial disputes. Even so, although Khrushchev has made it clear that he wishes the present relaxation of tension in East-West relations to continue into 1964 and has said that the Soviet Union was "prepared to consider any proposals" to improve Soviet relations with the United States, he has put forward no new, practical suggestions to this end (his proposal for a world-wide agreement on the repudiation of force in settling territorial disputes can scarcely be said to fall into this category). There was also one notable omission from his list of issues on which there were reasonable prospects for agreement: observation posts, a measure which Khrushchev himself advocated until recently. He has, however, shown himself receptive to the idea that some objectives might be pursued by what he called "mutual example" rather than by way of international agreements and in this connexion has called on other states to follow the Soviet Union in reducing military expenditure.

2. There has also been a revival of the practice of floating ideas through the Poles. Gomulka, in a major speech for which he must have had some form of Soviet approval, put forward his suggestions on how progress might be sought in East-West relations. In contrast with Khrushchev, he described measures to prevent surprise attack as a proposal ripe for negotiation. He also referred in the same terms to the conclusion of a non-aggression pact between NATO and the Warsaw Pact and proposed the freezing of nuclear arms and perhaps also the "limitation" of conventional forces in central Europe. He did not apparently make any formal link between these various proposals, but it seems probable that the Poles are hinting at some kind of "package". The object is presumably to try to stimulate Western reactions, but without committing the Poles and, a fortiori, the Russians to anything precise.

BERLIN

3. There was nothing new in Khrushchev's recent reference to the urgent need for a solution of the German problem, but here again there has been a change in tactics. Agreement was reached between a representative of the East German regime and a representative acting on behalf of Herr Brandt, the Governing Mayor of Berlin, whereby West Berliners could obtain passes to visit their relatives in East Berlin over the Christmas period. The terms of the agreement were a reasonable compromise; they did not involve recognition of the East German regime, but they did perhaps slightly increase its prestige. This was no doubt one of the objectives which the East Germans sought in proposing the arrangement. They were probably also seeking support for Communist propaganda about the separate status of West Berlin and a means of drawing the West Berlin Senate into discussions with the East Germans which could lead to an erosion of non-recognition. But

/it

CONFIDENTIAL

it is difficult to believe that Ulbricht and his old guard thought up the arrangement themselves. They have received a small political prize; but on the debit side they have taken the great psychological risk of opening the first gap in the Wall since it was erected. There have been over a million visits to East Berlin by West Berliners during the period of the agreement, bringing with them ideas, information and gifts which are bound to impress the inhabitants of East Berlin deeply with the continuing strength and freedom of the West. Soviet and East German propaganda is suggesting that further concessions should be arranged, no doubt in the hope of making progress towards the objectives mentioned above. Public opinion in East Germany will favour this. But to Ulbricht the reinfection of Communist Germany by contacts with the West must seem a heavy price to pay for the dividends so far.

CHOU EN-LAI'S VISIT TO AFRICA

4. Chou En-lai has now visited the United Arab Republic, Algeria and Morocco in the course of his African tour. After an interlude in Albania, he will go on to Accra, Bamako, Conakry and possible Khartoum, Dar-es-Salaam and Entebbe before finishing his tour at Mogadishu. It has also been announced that Chou will visit Tunisia during January and that the establishment of diplomatic relations between China and Tunisia may be formally announced after his visit.
5. The purpose of the tour is to increase China's contacts and influence in Africa at the expense of the Soviet Union as well as of the West. It forms part of a drive to establish China as the leader of the coloured and "have-not" peoples of the under-developed world. The visit probably has the further specific objective of encouraging African leaders to attend a new Afro-Asian Conference, on the pattern of the 1955 Bandung Conference, from which the Soviet Union might again be excluded and the aims of which would include mustering support for Chinese views on imperialism, neo-Colonialism and wars of national liberation. An additional aim may be to win African opinion to the Chinese side over the border dispute with India.
6. It is still too early to assess how far Chou is succeeding in achieving Chinese aims. The possibility of Tunisian recognition is the first direct Chinese gain from the tour and both the Cairo and Algiers communiques were strongly Chinese in flavour. But in spite of Chou's expression of support for a second Bandung conference at a Press interview in Cairo and the frequent references to Bandung during the tour, there has been no firm mention in communiques issued in Cairo, Algiers and Rabat of a second Afro-Asian Conference to be held at some specific time in the future. Moreover, both the Egyptians and the Algerians have been keeping one eye on the Russians. An important Algerian delegation was in Moscow at the time of Chou's visit and signed an agreement with the Russians on economic and technical co-operation the day that Chou left Algiers. Both China and the Soviet Union clearly regard Algeria as a key country for the future of Africa and they are likely to intensify their competition for influence there.
7. Another example of the increasingly open political in-fighting which is taking place between the Soviet Union and China occurred at the United Nations, where the Chinese recently seized an opportunity to discredit the Soviet Union in Afro-Asian eyes. The Russians, always sensitive to Chinese accusations that they favour a "two Chinas" policy, gave China's exclusion from the United Nations as their reason for opposing an extension of Afro-Asian representation on the Security Council and the Economic and Social Council. The Chinese then published a statement that the Soviet

/Union

CONFIDENTIAL

Union had entirely misrepresented China's true position, of which the Soviet Ambassador in Peking had been informed in advance. The statement accused the Soviet delegate of using the question of China's entry into the United Nations as a pretext for refusing to support the legitimate demands of the Afro-Asian countries. Although much remains obscure in this peculiar episode and Russian tactics seem to have been clumsy, it shows China's determination to score off the Soviet Union and gain credit with the Afro-Asians whenever and wherever she can.

8. For their part the Russians have shown anxiety not to allow the Chinese to represent themselves as more concerned with the aspirations of Afro-Asian peoples than the Soviet Union. Repeated Chinese accusations of Soviet failure to give adequate support to "national liberation movements" (a likely topic of discussion between Chou En-lai and the African leaders) and Chinese attempts to seize the initiative in this field have prompted the Russians to redefine their attitude to "wars of national liberation". Khrushchev, in a carefully considered reply to questions put to him by Afro-Asian newspaper editors, stressed that the majority of Afro-Asian states had now reached the stage where their main need was to seek economic independence; but where "national liberation" was still to be achieved the use of force was in no way incompatible with the doctrine of peaceful coexistence, which was not to be regarded as "a sort of armistice with imperialism". The Soviet Union would give all possible help including arms to peoples conducting a national liberation struggle, "sacred wars which we always have supported and will support." He cited Soviet military aid to Algeria, Indonesia and the Yemen as past examples of such help.

9. In Sino-Soviet bilateral relations, nothing more has been heard of moves towards further talks between the Soviet and Chinese parties; the idea seems to have shared the same fate as the earlier proposal for a world conference of Communist parties. The Russians have somewhat muted the polemics from their side, but have met with no response from the Chinese who have clearly demonstrated that there are to be no holds barred in their challenge to the Soviet leadership of the Communist movement. The Chinese have recently published a statement which acknowledges openly the existence of "genuine Marxist - Leninist Groups" (i.e. pro-Chinese factions within pro-Russian parties) and Aidit, the Indonesian Communist leader, has spoken of recognising these groups as "new Communist parties". If the Chinese or the Indonesians were to accord formal Party recognition to these splinter groups, this would constitute another serious step towards the formal fragmentation of the Communist movement.

AFRICAN STUDENTS IN THE SOVIET UNION

10. The demonstration by African students in Moscow appears to have taken the Russians by surprise and came at a particularly unwelcome moment, when Chou En-lai was just starting his tour of Africa. The death of the Ghanaian student merely triggered off an expression of the discontent arising from African students' general frustration. The demonstration was the latest and largest in a long series of complaints by African students about their treatment in Communist countries. Their grounds for dissatisfaction include racial discrimination and segregation, political indoctrination, lack of personal freedom, inadequate housing and allowances and unaccustomed climate and food. The local population for their part resent the favourable treatment given to African and other foreign students. The last major incidents occurred in Bulgaria. Seven Ghanaians were expelled in 1962 after a street brawl; this was followed by a mass exodus of students in February 1963 after they had demonstrated and complained of racial discrimination. The Chinese have also run into similar difficulties,

/albeit

CONFIDENTIAL

albeit on a smaller scale; this may partly account for Peking's failure to comment publicly on the Moscow demonstration. Soviet embarrassment at the incident has been reflected in their propaganda. Khrushchev has said that it would not happen again and that any dissatisfied African could leave the country. But this will not eliminate the causes of grievance among the Africans who remain. The task of the Soviet authorities in dealing with them will be complicated by the fact that they cannot apply to foreigners many of the sanctions used against their own citizens.

EASTERN EUROPE

11. The Eastern European countries are still seeking to profit from the stimulation which the cautious injection of new ideas brings to their societies, while at the same time retaining control of the process of liberalisation. At Central Committee meetings of the Czechoslovak and also of the provincial Slovak Communist Parties during December there were calls for vigilance against the dangers of ideological co-existence, and in Bulgaria the trial of Georgiev has been used to drive home the same lesson. But the need for greater "democracy" in public life in Czechoslovakia has also been acknowledged in the Central Committee meetings there, and the ideological ferment led by the cultural periodicals continues unabated (though not unrebuked). A new stage in the Czech retreat from isolation was marked by the conclusion by the Czechs of two-way tourist agreements not only with other bloc countries but also with Austria, and by the decision to grant visas for most categories of foreign visitors within 48 hours. Unorthodox economic ideas are also becoming current in Eastern Europe; the Czech Central Committee meetings witnessed calls for a radically new approach to management and planning; in Hungary, industrial enterprises are to pay interest on fixed assets and working capital from January 1, 1964 (the average rate has been fixed at 5% p.a.). East Germany intends to follow suit, but has not yet decided on the rate of interest from the date of introduction.

THE CHINESE ECONOMY

12. The session of the National People's Congress held in Peking from November 17 to December 3 took place in camera. What has been revealed of its proceedings suggests little change in the priorities of Chinese policies. The communique was largely devoted to justifying Chinese policies of "self-reliance" and "self sufficiency" at home. There was continued emphasis on the importance of agricultural development and it was claimed that the economy as a whole had shown improvement. The harvest was said to be "relatively good", a rather sober claim which suggests that it may not have come up to expectations. Although international affairs were barely mentioned, the whole tone of the communique was strongly anti-Soviet. It suggested that the coming year would continue to be one of readjustment at home, with no prospect of any lessening of Chinese antagonism towards the Soviet Union in the international field.

CONFIDENTIAL

CHRONOLOGY

- November 28 - December 2 Meeting of the World Council of Peace in Warsaw.
- December 3 Communiqué issued in Peking on the 4th Session of the National People's Congress.
- 6 Pravda published an editorial entitled "For the Unity and Solidarity of the International Communist Movement" on the third anniversary of the 1960 Moscow Conference of Communist Parties.
- The New China News Agency reprinted a North Korean article harshly critical of Soviet policies on the same occasion.
- 9 CHEN YI, Chinese Foreign Minister, left China to attend the Kenyan Independence Celebrations.
- 9 - 13 A Plenum of the Soviet Communist Party Central Committee discussed the further development of the Soviet chemical industry; the main report and concluding address were delivered by Khrushchev.
- 10 The Soviet delegate at the United Nations opposed an extension of Afro-Asian representation in the Security Council and the Economic and Social Council on the ground that Communist China was excluded from the United Nations.
- 10 - 15 A Soviet Party and Government delegation led by Brezhnev visited Czechoslovakia for the celebration of the 20th anniversary of Soviet-Czechoslovak Treaty.
- 10 Kenyatta received Soviet Deputy Ministers of Foreign Affairs and Higher Education during Kenya Independence celebrations.
- 12 The People's Daily published the sixth in its series of articles on the Sino-Soviet dispute entitled "Peaceful Co-existence - Two Diametrically Opposed Policies".
- 12 A Chinese Foreign Ministry statement accused the Russians of misrepresenting Peking's views on the expansion of the United Nation Councils.
- 13 Launching of Cosmos XXIII.
- 14 - 21 Chou En-lai visited UAR.
- 16 - 20 Session of USSR Supreme Soviet approved the Budget and Economic Plan for 1964-65.
- 16 Khrushchev accepted invitation to visit Sweden, Denmark and Norway in June 1964.
- 17 - 21 Tenth session of CMEA Executive Committee in Bucharest.

/December 17

CONFIDENTIAL

- December 17 Signing in West Berlin of an agreement allowing West Berliners to visit East Berlin during the Christmas and New Year period.
- 18 Demonstrations in Moscow by African students following the death of a Ghanaian student on December 13.
- 18 - 29 Algerian party-government delegation visited Soviet Union.
- 18 Communist bloc (less Albania) voted at UN against expansion of the Councils to include more Afro-Asian members. An article in People's Daily accused Russia of persistently misrepresenting China's views on this subject.
- 19 Launching of Cosmos XXIV
- 21 Tass issued text of Khrushchev's replies to questions from Ghanaian, Algerian and Burmese newspaper editors on the National Liberation Movement.
- 21 - 27 Chou En-lai visited Algeria.
- 22 The Soviet Foreign Ministry issued a statement on the Soviet decision to vote against increased Afro-Asian representation on the UN Councils.
- 23 Announcement of agreement between China and Burundi to establish diplomatic relations.
- 26 Pravda published Khrushchev's message to Mao Tse-tung on his seventieth birthday.
- 27 Demonstration outside the U.S. Legation in Sofia during the trial of Ivan Georgiev, a Bulgarian diplomat charged with espionage on behalf of the United States.
- 27 - 31 Chou En-lai visited Morocco.
- 27 Soviet delegation led by N. V. Podgorny left for Havana to attend the celebration of 5th anniversary of the Cuban revolution.
- 27 Soviet-Algerian agreement on Economic and Technical Co-operation signed in Moscow.
- 30 Text released of Khrushchev's New Year message to the people of the United States, answering questions put to him by Henry Shapiro, Chief UPI correspondent in Moscow.
- 31 Chou En-lai arrived in Albania.