



Communist Policy and Tactics 1964, 3. hluti

Bjarni Benediktsson – Stjórnámál – Trúnaðarskýrslur – Communist Policy & Tactics

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bjarnibenediktsson.is

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His Excellency
Mr. Bjarni Benediktsson.

BRITISH EMBASSY
REYKJAVIK

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PROBLEMS AND TACTICS

1964

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that the Soviet Government will not build more reactors for the production of plutonium. Initially their production of Uranium is expected to match a similar announcement by the United States. A cut-back in the production of uranium for military purposes. It was a further step towards a policy of arms control. The Soviet Government has termed "mutual example" and is determined to maintain the relative détente. Khrushchev's statement and subsequent

Soviet comment sought to anticipate likely criticism from within the Communist camp by stressing that the agreement would in no way weaken the Soviet nuclear rocket shield safeguarding the security of all Communist countries. Similar assurances to American opinion were of course also given by President Johnson. The Russians also published President Johnson's parallel declaration and did not attempt to claim the credit for an initiative which they say has created favourable conditions for further advance. The Chinese predictably described it as yet another nuclear trick.

3. The communiqué issued at the conclusion of the Polish-Soviet talks in Moscow included an announcement that it would be expedient to bring up-to-date and extend for a further 20 years the Polish-Soviet treaty of 1945, which binds both parties to the continued recognition of East Germany and the Oder-Neisse line. The communiqué also contained the usual attacks on alleged West German militarism and was further evidence that the Russians are unwilling to change their policy on Germany.

THE SINO-SOVIET DISPUTE

4. The Chinese appear to be preparing the ground for a further round of anti-Soviet polemics. They have published the anti-Chinese material recently released by the Russians and have reaffirmed their intention to answer in due order the latest series of Soviet attacks and "all other such documents, speeches and articles published by the Soviet leaders heretofore and hereafter". There are signs of a more conciliatory attitude among some of China's supporters; the North Vietnamese have expressed concern at the trend towards a split.

5. The crudest Soviet onslaught came from Khrushchev himself at a Polish-Soviet Friendship rally in Moscow, when he departed from his prepared text to express his feelings of contempt for China whose poverty and backwardness gave her no claim to the status of a Great Power by the standards of today. One of the main themes of current Soviet propaganda is to stress the similarity between the methods of the present Chinese leaders and those of Stalin and thus to question the standing of the

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COMMUNIST POLICY AND TACTICS

APRIL 1964

The Russians have been unable to secure widespread agreement on how to handle the dispute with China and seem uncertain what to do next. Important Communist parties in both Eastern and Western Europe are resisting strongly any attempt at dictation from Moscow. The Rumanians have issued a major statement of policy, rejecting Soviet hegemony in economic and party affairs. Soviet agreement to measures for limiting the production of fissile material for military purposes is an earnest of the Soviet desire to maintain the relative détente in East-West relations.

EAST-WEST RELATIONS

2. Khrushchev's announcement that the Soviet Government will stop the construction of two reactors for the production of plutonium and reduce substantially their production of Uranium 235 for use in weapons was intended to match a similar announcement of American plans for a cut-back in the production of fissile material for military purposes. It was a further instance of Soviet willingness to pursue a policy of arms limitation by what Khrushchev has termed "mutual example" and an earnest of the Soviet desire to maintain the relative détente in East-West relations. Khrushchev's statement and subsequent Soviet comment sought to anticipate likely criticism from within the Communist camp by stressing that the agreement would in no way weaken the Soviet nuclear rocket shield safeguarding the security of all Communist countries. Similar assurances to American opinion were of course also given by President Johnson. The Russians also published President Johnson's parallel declaration and did not attempt to claim the credit for an initiative which they say has created favourable conditions for further advance. The Chinese predictably described it as yet another nuclear trick.

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Chinese leaders. By accusing the Chinese of failure to observe "democratic" practices in the conduct of their Party affairs and of not daring to publish a speech made by Mao Tse-tung in 1958, the Russians have laid themselves open to an obvious and damaging Chinese retort; Khrushchev's secret speech at the 20th Party Congress denouncing Stalin has never appeared in the Soviet Press. An important development in the dispute has been the Soviet refusal to accept the customary Chinese invitation to send a Trades Union delegation to Peking for the May Day celebrations and the cancellation of a similar invitation to Moscow which they had issued only a fortnight earlier; it is not clear why the Russians changed their mind so abruptly on this comparatively low-level exchange of a kind which has hitherto been allowed by both sides to continue uninterrupted in spite of the dispute.

6. There is a growing willingness at least among European Communists to admit openly the damage which the dispute is doing to the Communist cause and Khrushchev himself remarked during his visit to Hungary that "the imperialists could now rub their hands with glee" because the Chinese had taken over the function of slandering socialism. The Rumanians have said that the quarrel is diminishing the role and influence of the Communist system and diverting Communist parties from their major tasks. An illustration of the last point has been the change in Soviet overseas broadcasting priorities; Moscow's new summer schedules show a reduction in broadcasts to Western Europe and North America, a large rise in transmissions to China (an increase of over 3½ hours daily) and increases in broadcasts to a number of South East Asian countries and also to Rumania.

EAST EUROPEAN ATTITUDES

7. Soviet attempts to win support in Eastern Europe for their proposals on handling the dispute and particularly for their suggestion that there should be an early conference of Communist parties appear to have run into serious difficulties. Neither the visit to Moscow by a top-ranking Polish delegation nor the subsequent gathering of East European leaders for Khrushchev's 70th birthday celebrations seem to have brought agreement any nearer. While the Bulgarians and East Germans support the Soviet proposal for a conference in the autumn and the Czech Central Committee is on record that an early conference should be convened, the Hungarians have been less specific. The joint communiqué issued at the end of Khrushchev's visit to Budapest did not mention the conference at all and since then there has only been one rather vague allusion to the desirability of a conference in the Hungarian Party Press. The Poles have accepted the idea of a conference, but only on condition that it would help to diminish the differences between China and the Soviet Union. The Rumanians have rejected in advance a conference from which some Parties were excluded and have called for careful preparations before a world meeting is held. Yugoslav sources claim that the Russians have now abandoned the idea of holding a conference in the near future and the absence of any renewal of Suslov's call for it in recent Soviet statements lends some credence to this. But the Soviet Press continues to publish expressions of support for the proposal and to delete any indication of reservations from other Communist parties. Soviet spokesmen have also tried to allay fears that the purpose of a conference would be to exclude the Chinese from the Communist movement.

8. Soviet failure to follow up and develop the suggestion made by Khrushchev in Hungary that new organisation forms should be considered to improve consultation and the co-ordination of foreign policy among the C.M.E.A. and Warsaw Pact countries indicates that this too has not found favour in Eastern Europe.

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RUMANIA

9. The Rumanians have issued a major statement of policy which marks a turning-point in the history of modern Rumania. It is a clear rejection of Soviet hegemony in economic and Party affairs and is a big step forward along a Rumanian national road to Communism. For the first time the Rumanians have spelt out fully and publicly their objections to supra-national planning in C.M.E.A. and they have emphasised their intention to develop economic links with all states, irrespective of their social system. They have betrayed some nervousness that an attempt might be made to resuscitate the Comintern or Cominform and have rejected this in advance; and they have asserted in Titoist terms "the sovereign right of each socialist state to elaborate, choose or change the forms and methods of socialist construction". While they continue to express support for the main Soviet ideological positions in the dispute with China and while they can have no further illusions about their capacity to mediate effectively between Moscow and Peking, they are clearly determined to exploit the present situation to their national advantage.

10. The Rumanians are giving their statement the widest possible distribution both in Rumania and in Eastern Europe; its forthright nature suggests that the Rumanians believe the Russians will not dare to intervene in order to discipline them. The Russians have not reprinted the Rumanian statement in their Press and have limited themselves in broadcasts for Soviet listeners to attacking opponents of greater economic cooperation between socialist states (without naming the Rumanians); Soviet propaganda to Rumania - recently increased - has so far been confined to extolling the virtues of C.M.E.A.

WEST EUROPEAN COMMUNIST PARTIES

11. Of the influential West European Communist parties, the Italian Communists are the most vocal in expressing their doubts over the Soviet handling of the dispute with China and continue to play a key role in European Communist affairs. The French Communist Party, on the other hand, continues to support the idea of a conference. Between these two extremes, there are varying shades of opinion. Proscribed Communist parties with many of their representatives living in the bloc, such as the Spanish, Portuguese and Greek, favour a conference; whereas Communist parties operating in welfare states such as Norway, Sweden and the United Kingdom share the Italian fears of the consequences of a formal split in the Communist movement.

12. Ingrao, a senior Italian Communist official, left for Moscow on April 25, a few days after the release of a report by Togliatti to the Italian Communist Central Committee in which he argued strongly for the independence and autonomy of all Communist parties, whether within the bloc or outside it, and (in terms very similar to the Rumanian statement) rejected the concept of a centralised organisation in the Communist movement, recalling that such an organisation had expelled Yugoslavia in the past. He also expressed his Party's opposition to any conference of Communist parties which might lead to the isolation or excommunication of the Chinese, because he feared that the creation of two centres of Communism would reduce all subsequent Communist efforts to a struggle between them and would inevitably lead to the emergence of small pro-Chinese parties in all countries. Soviet reports of Togliatti's speech have quoted at length his criticisms of the Chinese, but have omitted any reference to his reservations about a conference or to his warning against repeating Stalinist errors regarding Yugoslavia in handling the dispute with China.

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THE CHINESE THEORY OF AN "INTERMEDIATE ZONE"

13. The Russians and some of their East European supporters have recently drawn attention to the harmfulness of the Chinese theory of an "intermediate zone" between the Communist countries and the "forces of imperialism". The Chinese include within this zone the whole of Western Europe, Oceania, Canada and certain other capitalist countries such as Japan. They suggest that, insofar as these countries are trying to free themselves from United States control, their efforts can be exploited by the Communist countries. The theory also affords a convenient justification for Chinese attempts to develop commercial and diplomatic relations with a number of Western countries and Japan. Some of China's Communist opponents say that this theory will confuse and weaken the anti-imperialist cause; the East Germans in particular have stated that it would lead ultimately to the complete surrender of East Germany to the West.

"FRONT" ORGANISATIONS

14. The Chinese and their supporters continue to seize every opportunity to attack the Russians at "front" organisation meetings. The 8th Congress of the International Association of Democratic Lawyers held in Budapest at the beginning of April was typical of several recent "front" organisation conferences; the Chinese delegates opposed everything from start to finish. Far from serving their original propaganda purpose, these "front" meetings are being increasingly used by the Chinese as a forum to debate differences within the Communist movement. But unless the Russians declare a formal breach with Peking, the "front" organisations can scarcely anticipate them by expelling the Chinese; and the Chinese, who show no sign of being disposed to leave of their own accord, will continue to exploit them for their own ends. At the same time the Chinese are continuing to develop "front" organisations under their own control, which will prove particularly important to them should they eventually be expelled from those controlled by Moscow. The rivalry between the two sets of "front" organisations is already acute: the Chinese and Indonesian Youth organisations recently expressed their opposition to the holding of a World Youth Forum in Moscow this Autumn, because "it would only edge out and spoil the forthcoming Afro-Asian Youth Conference".

CHINESE INTEREST IN LATIN AMERICA

15. The Chinese are intensifying their efforts to wrest control of Latin American revolutionary movements from the Russians. They have been particularly successful in expanding their influence among the more unorthodox Marxists and have won widespread support from followers of Trotsky and Castro. In Peru a loose alliance of the pro-Chinese Communist party, Trotskyites and supporters of Castro has reduced the pro-Russian Communist party to a small minority of the revolutionary left. The Chinese have recently drawn attention to the existence of a group of their supporters in the Chilean Communist Party and of a pro-Chinese youth movement in Colombia; the Russians have reported the expulsion of several members of the Central Committee of the Communist Party of Ecuador for pro-Chinese activities.

16. The steady attrition of the Soviet position in Latin America is partly due to the greater appeal of the Chinese message of violent revolution; in contrast, the pro-Russian Communist leaders have preached gradualism and have been notoriously willing to compromise even with dictatorial régimes. The Chinese are making great efforts to exploit these feelings in

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their favour. They are quoting the recent coup d'état in Brazil as evidence that non-violent tactics cannot succeed against "counter-revolution inspired by the United States". They are also doing their utmost to identify themselves with the Cuban régime, on which they lavish constant praise. The Cubans for their part have kept out of the Sino-Soviet dispute as far as possible and have not printed any of the recent Soviet attacks on the Chinese. As the Chinese have no Latin American diplomatic missions except in Havana, they are spreading their propaganda through cultural institutes, friendship societies, the New China News Agency (represented in 13 Latin American countries), radio broadcasts and a wide programme of sponsored visits to and from China. Latin American visitors to Peking are flattered and feted and invited to attend monster rallies held in support of Latin American "national liberation struggles". The flow of Chinese printed propaganda, produced both locally and in Peking, has also greatly increased: so much so that a Chilean Communist recently wrote in Pravda that he and thousands of other Latin Americans were being deluged with Chinese material.

CUBA

17. The deep divisions and personal animosities which still exist in the Cuban leadership have been revealed once again by the trials in Havana of Marcos Rodriguez, a Cuban Communist who betrayed four members of the student revolutionary movement to Batista's police in 1957. The first trial was reported only briefly in the Cuban Press, but it soon became generally known that it had been the occasion for a violent attack on the Cuban Communist Party for its role in the pre-revolutionary period and for the protection its leaders had afforded to Rodriguez. The effect of this was to discredit still further the "old guard" of the Cuban Communist Party and so to damage the revolutionary unity which Castro has for so long been trying to foster. In an effort to restore this unity, Castro ordered a second trial during which he made a long speech officially exonerating the old Communists and demanding loyalty to himself and the revolution. But despite Castro's personal intervention, there can be little doubt that the old Communists have suffered a severe setback.

18. At a time when his own followers are deeply divided, when Communism as an ideology and a world movement is being torn apart by the Sino-Soviet dispute and when the Left has suffered a severe reverse in Brazil, Castro may well feel the need to divert attention elsewhere. With the prospect that in the near future the Russians will hand over to the Cubans the control of the ground to air missile installations in Cuba, Castro has recently publicly rejected the American right to make reconnaissance flights over Cuba. His primary concern, as over the American base at Guantanamo, is probably to extract the maximum political and propaganda advantage from his position as the "offended" party and to put pressure on the Americans to stop the flights.

19. A leading article in the Soviet Press asserted the Cuban right to "take the necessary measures" to put an end to intrusions into their air space, to possess the weapons required to safeguard their security and to use them "if this proves necessary"; if Cuba were attacked, the Soviet Union would be "on the side of Cuba". Although Khrushchev has subsequently reaffirmed Soviet support for Cuba, it was notable that the Russians waited for some days after Castro had delivered his belligerent speech about American overflights before publishing any comment, a delay which in itself shows that they did not wish to inflame the situation (there was also a fairly clear hint in Castro's speech that he had received some unwelcome Soviet advice to avoid provoking the Americans); and they might have

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waited even longer had it not been that in the meantime the Chinese Press came out in full support for Castro. In the circumstances, the Russians are bound to support the Cuban position, but it is clearly strongly in their interest to avoid a situation in which their guarantee to Cuba might be put to the test.

LAOS

20. Both the Russians and the Chinese have commented on the attempted coup d'état in Laos. The Russians put the blame on right-wing reactionary elements using military aid "from certain Western powers" and declared their support for Souvanna Phouma's coalition government and for the efforts being made to achieve peace and national accord on the basis of the Geneva agreements. The Chinese predictably accused the Americans of responsibility for the coup. But they also endorsed the restoration of the Government of National Union on the basis of the Geneva settlement and their main preoccupation seems to be to ensure that, in any reconstruction of Souvanna Phouma's Government, the participation of pro-Communist elements is undiminished and their power to influence the course of events unimpaired.

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CHRONOLOGY

- March 31 to April 6 8th Congress of the International Association of Democratic Lawyers in Budapest.
- March 31 to April 10 Khrushchev visited Hungary.
- April
- 1 - 10 Malinovsky visited Berlin.
- 3 Arrest in Brazil of nine Chinese Trade Unionists and journalists.
- 3 Suslov's report to the February Plenum of the Soviet Central Committee published in Pravda.
- 4 Ideological Commission of the Soviet Central Committee condemned the pamphlet "Judaism Unadorned".
- 4 - 7 Souvanna Phouma visited Peking.
- 5 - 9 President Sallal of the Yemen visited Bulgaria.
- 7 People's Daily reported a meeting of Pro-Chinese Chilean Communists.
- 8 Yemeni-Bulgarian Treaty of Friendship signed.
- 8 Sino-Laotian communiqué published in Peking.
- 8 Italian-Soviet Chamber of Commerce set up in Milan.
- 9 Issue of joint Soviet-Hungarian joint communiqué at the conclusion of Khrushchev's visit.
- 11 Publication by Rinascita of an editorial by Togliatti on the Sino-Soviet dispute.
- 11 E.F. Hall, Chairman of the pro-Chinese faction in the Australian Communist Party, arrived in Peking.
- 13 Gomulka and Cyrankiewicz arrived in Moscow.
- 14 - 24 Soviet Minister of Foreign Trade, N.S. Patolichev, visited the United Kingdom.
- 15 Polish-Soviet communiqué signed.
- 15 Speeches by Khrushchev and Gomulka at Polish Embassy reception in Moscow.
- 15 - 22 Plenum of Rumanian Workers' Party's Central Committee.

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April

- 17 Khrushchev's 70th birthday.
Visitors in Moscow for the occasion included East European Party leaders, President Kekkonen of Finland and Kofi Baako, the Ghanaian Minister of Defence.
- 19 - May 3 The Soviet Minister of Aviation Technology, P.V. Dementiev, visited the United Kingdom.
- 20 Statements issued by the Soviet Union and the United States on reductions in the production of fissile material.
- 20 Tass statement on coup d'état in Laos.
- 21 12th Session of the Executive Committee of C.M.E.A. in Moscow.
- 22 Chinese Ministry of Foreign Affairs statement on Laos.
- 23 Protocol extending the Anglo-Soviet Trade Agreement for 5 years signed in London.
- 23 Khrushchev sent a memorandum to the Presidium of the Soviet Central Committee on the improvement of Agriculture.
- 24 Izvestiya "Observer" article on Cuba.
- 25 Ben Bella arrived in Moscow for a 2-week visit.
- 26 People's Daily published Chou En-lai's report to the State Council on his tour of Africa and South-East Asia.
- 27 People's Daily reprinted Suslov's report to the February Plenum and the Pravda editorial of April 3.
- 27 Release of Rumanian Party statement on the Sino-Soviet dispute and the Rumanian attitude to C.M.E.A.
- 28 - 29 Pravda claimed that the Chinese leadership was following Stalin's methods in failing to hold regular Party Congresses.
- 30 The People's Daily complained that Soviet trade union organisations had refused to send a delegation to the Chinese May 1 celebrations and had withdrawn their invitation for the Chinese to attend similar celebrations in Moscow.

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COMMUNIST POLICY AND TACTICS

OCTOBER 1964

Khrushchev's removal was a severe shock to Communist parties in both Eastern and Western Europe and has added to confusion caused by the Sino-Soviet dispute. There have so far been no signs of any change in basic Soviet policies towards the West. The Chinese have reacted cautiously; Chou En-lai is heading a strong Chinese delegation to Moscow for the anniversary celebrations of the Russian revolution.

THE FALL OF KHRUSHCHEV

2. Accounts of the explanations given by the new Soviet leaders to foreign Communist delegations and to Party officials in the Soviet Union in justification of Khrushchev's removal are beginning to leak out. The new men are of course trying to present their actions in the most favourable light and much of the story that emerges is likely to represent what they wish people to believe rather than a complete and accurate account of the coup and its motives. So far the Soviet public have not been given any account of the coup. They have had to be content with the story that he resigned through age and ill-health, and with the oblique, though unmistakable criticisms of his conduct which have appeared in the press.
3. Khrushchev's removal was adroitly managed and preparations for it were a well kept secret; speeches in praise of Khrushchev continued to be made by senior military personnel and published in the Soviet press on the day he fell from power. There have been no signs of emotion among the Soviet population who still appear to accept passively the leadership thrust upon them as the result of a struggle for power at the top. The coup has, however, done great damage to the prestige of the Soviet Union abroad. It was a clear reminder of the crudeness and inadequacy of a political system in which the succession could only be settled by a palace revolution and the change justified by the systematic denigration of the fallen leader's actions, for which his successors must in any case share much of the responsibility. The methods have been condemned and ridiculed even by Communists outside the Soviet Union.
4. The present distribution of power among the new leaders may prove to be a transitional arrangement. The Soviet system tends to favour one-man rule. There are, however, unconfirmed reports that the Soviet Central Committee has passed a resolution to the effect that the offices of Prime Minister and Party First Secretary will not in future be held by one man; and for a while, at least, the pressure of urgent problems and the fear of other rivals may hold the duumvirate together and restrain other members of the Party Presidium from rocking the boat. But the present arrangement is bound to come under strain as new policies have to be agreed and vacant posts filled. A vacancy has been created in the Presidium by the retirement of Khrushchev; Kozlov's place is also in doubt and there could soon be other retirements owing to old age or ill-health. A new Chief of Staff is also required to replace Marshal Biryuzov, killed in a recent aircraft crash in Yugoslavia. Filling these vacancies is bound to raise the crucial question of whose candidates are to be appointed.

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SOVIET POLICY TOWARDS THE WEST

5. In their first contacts with Western diplomats the new leaders have shown some slight signs of a change of emphasis in their policies, but none of substance. They seem likely to mark time in East-West relations, while they tackle the more urgent problems of the Soviet economy and the differences within the Communist movement. Meanwhile Soviet propaganda has continued to try to exploit disagreements within the Western alliance. There have been renewed attempts to appeal to the doubts of European countries over the NATO Multilateral force and the Russians have adopted a notably friendlier tone towards France at a time of differences within the European Economic Community.

INTERNAL PROBLEMS FACING THE NEW LEADERS

6. Internally, Khrushchev's successors will have to face the same problems as he did. The conflicting demands on limited investment resources, particularly the rival needs of defence and the civilian economy, will pose a continuing dilemma. Agriculture remains an intractable problem and has stubbornly refused to respond to the succession of once-for-all remedies introduced by Khrushchev. The question of how best to reorganise industrial production in order to meet the needs of an increasingly complex economy has still to be resolved. The plan fulfilment figures for the first nine months of 1964 show that the Soviet rate of growth continues to fall. The only hope of solving these problems probably lies in the adoption of even more radical reforms than Khrushchev himself was willing to risk; it is too soon to tell whether the new leaders will have the strength or the wish to make such radical innovations. But the preliminary indications are that new thinking in the economic field will continue to be encouraged; and, possibly with an eye to their popularity, the new leaders have also declared their support for the interests of the Soviet consumer.

REACTION TO KHRUSHCHEV'S FALL IN EASTERN EUROPE

7. Externally, Khrushchev's removal has created as many problems in the Communist movement as it has solved. The East European leaders were given no warning of his fall and most of them received the news badly. Their initial reaction in praising his past achievements demonstrated their confusion and implied a rejection both of the Soviet official version of his resignation and of any thought there might be of reversing his policies in Eastern Europe. The Czechs broke with all precedent and for the first time failed to follow the Soviet line in commenting on an event of world importance. The Yugoslavs openly expressed their anxiety that some "unprincipled compromise" might be made at their expense. Even the East German Politburo registered its "profound emotion" and its gratitude to Khrushchev. The Rumanian leaders who had opposed his policies in C.M.E.A. and his handling of the Sino-Soviet dispute remained non-committal, even though responsibility for the deterioration in Soviet relations with Rumania has allegedly been listed among the charges against Khrushchev. Only they and the Bulgarians have paid no tribute to Khrushchev.

8. The East European leaders had good reason to be embarrassed. They had lavished praise on Khrushchev during his visits to their countries and he had come to symbolise the new Soviet relationship with Eastern Europe. They could hardly afford to display subservience to Moscow by immediately denouncing him. Some of the East European leaders may also have nursed the uncomfortable

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reflection that the method used by the Soviet Party to depose Khrushchev could also be employed by their own Parties to unseat them. Now that the first shock has worn off and they have received suitable reassurances on Soviet policy towards Eastern Europe, most of them are likely to come round to Gomulka's verdict (delivered a fortnight after the event) that Khrushchev's removal was conducted in accordance with "the Leninist principles of inner Party democracy". They are also likely to profit where they can in order to maintain and discreetly extend the degree of independence of policy which they achieved in Khrushchev's time.

REACTIONS IN COMMUNIST PARTIES OUTSIDE THE BLOC

9. The reaction of pro-Soviet Communist Parties outside the bloc has been more outspoken and violent, reflecting their resentment at the manner of Khrushchev's dismissal and in some cases their alarm at its effects on their electoral prospects. They were faced with what Togliatti had described in his last memorandum as the worst possible situation for Communists: having given the impression that all was well (in this case, having joined in the public chorus of praise for Khrushchev), they suddenly had to explain what had gone wrong. The only way in which they could hope to minimise the damage was by laying stress on their independence from Moscow.

10. The Italian Communist Party, which faces local elections at the end of November and whose leaders are believed to be on poor terms with Brezhnev following his attempt to dissuade them from publishing Togliatti's memorandum, has been particularly critical of the lack of information on Khrushchev's dismissal; one of their leaders remarked that it raised the whole problem of "Socialist democracy". The French Communist Party, for long one of the most faithful purveyors of the Moscow line, took a similar stand. A number of other parties sent delegations to Moscow to seek fuller explanations and still more have expressed criticism. The strongest condemnation has come from the small Communist Parties in the Scandinavian countries, which Khrushchev had recently visited. The Swedish Communist leader described Soviet actions as "grotesque". The Norwegian Party said that the greatest responsibility lay with those who had failed to see his defects sooner: "we are most surprised that no steps were taken to remedy earlier the mistakes for which Khrushchev is now blamed".

11. The reaction in Communist parties outside Europe, where many parties are either pro-Chinese or divided into rival factions, was less uniform. The pro-Soviet Indian Communist Party, whose General Secretary has gone to Moscow, is seeking further information and guarantees of more democratic procedures in Communist countries. The Cubans, whose President happened to be in Moscow for the event, have avoided commenting on the significance of the changes or speculating on the truth of the official Soviet explanation; they have tried to reassure their public that Cuba continues to enjoy full Soviet backing. Some of China's supporters, while welcoming Khrushchev's removal, stressed the difficulties and obstacles in the way of a rapprochement between the Soviet Union and China and have warned that not too much should be expected from the change because Khrushchev's views were widely shared in the Soviet Union. Some have called for the abandonment of the world Communist conference, others for the resumption of Sino-Soviet bilateral talks. The Albanians, while greeting Khrushchev's fall as a great victory, have stressed that the struggle must continue to ensure "the complete destruction of revisionist traitors".

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THE SINO-SOVIET DISPUTE

12. The Chinese, apart from their initial congratulatory message to the new leadership and some cautious expressions of satisfaction at Khrushchev's disappearance, have refrained from direct public comment on the changes in the Soviet leadership. They have, however, been publishing comments by other Communist parties, including tributes to Khrushchev from European Parties and warnings from pro-Chinese parties that Khrushchev alone had not been responsible for the deterioration in Sino-Soviet relations; they have included these comments in Russian language broadcasts to the Soviet Union. They are also sending a strong delegation headed by Chou En-lai to Moscow in early November for the celebrations on the anniversary of the Russian revolution. High level delegations from all Communist countries will be present. This suggests that, whilst not budging an inch themselves, the Chinese wish to test the intentions of the new Soviet leaders and to give them a chance to follow up Khrushchev's removal by offering the Chinese satisfaction on some of the basic issues which divide the two countries. If the Russians are not willing to make the necessary concessions Chou's visit will at least enable the Chinese to claim that they had taken a conciliatory step and had shown that they were willing to try for a reasonable settlement of their differences.

13. For the Russians too Khrushchev's removal has opened up the possibility for a change of tactics in the handling of the dispute, which would undoubtedly be welcomed by many of their supporters. But Soviet policy statements since Khrushchev's fall have shown no sign of change on issues in dispute with the Chinese. Nor is there any reason to believe that the Russians would be willing to pay the kind of price which the Chinese would require for a genuine rapprochement: for example by stopping military aid to India, by abandoning the policy of detente towards the West and the United States in particular, or by accepting Chinese views on Yugoslavia. On an immediate tactical issue, the Russians have again endorsed their support for both a preparatory and a world conference of Communist parties, although specific dates are no longer mentioned for either.

14. It is thus possible, perhaps likely, that there will be an attempt to halt the headlong course towards a final split. There has already been a reduction in the public polemic. But there has not yet been any sign from either side that it is willing to make the important changes of policy which would be necessary for a lasting improvement in relations.

CHINA'S NUCLEAR EXPLOSION

15. The explosion of the first Chinese nuclear device had been expected for some time. It faced the Chinese with the problem of explaining why they had gone ahead with the development of nuclear weapons, disregarding the opposition of non-aligned countries in Asia and Africa whose interests they claimed to represent. The Chinese launched a major propaganda campaign in self-justification, asserting that nuclear weapons were necessary for China's defence against the American nuclear threat.

16. Only China's known supporters and admirers have praised the Chinese achievement without reservation. The Russians merely reported the event without comment. The Yugoslavs roundly condemned it; the Czechs and East Germans also expressed disapproval. The Chinese have ignored these hostile reactions.

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In spite of the plea of the Cairo Conference in its final declaration to all countries not to produce or test nuclear weapons China's achievement will excite admiration and also arouse fear, particularly in Asia. It has also increased the danger of proliferation of nuclear weapons. It is likely that it will lead to increased international pressure for China's participation in disarmament discussions and for her admission to the United Nations and other world councils.

ECONOMIC REFORMS IN CZECHOSLOVAKIA

17. The much heralded radical measures for reform of the ailing Czech economy have now been published by the Party Presidium. After formal approval by the Party Plenum before the end of this year, they will form the basis for the long term economic plan for 1966-70 now in preparation. They amount to official endorsement of the ideas of Professor Sik, Director of the Economic Institute of the Academy of Sciences, many of which have in the past been opposed by President Novotny. Their essence is that the Central Planning authorities should confine themselves to long term plans and the setting of broad guidelines for the economy, while detailed decisions will be left to enterprises and their managers. These decisions are in future to be based much more closely on market considerations, and a basic principle will be the profitability of each enterprise. Prices are to be more flexible and brought into closer relation to actual costs; the emphasis throughout is now to be much less on the quantitative fulfilment of the plan and much more on the profitable production of goods of quality.

18. The new measures bear many similarities to the Yugoslav model. They are also in line with thinking in Poland, Hungary, East Germany and the Soviet Union, but none of these countries has yet taken such far-reaching steps to put them into practice. If the new measures are genuinely carried out, Sik was certainly not exaggerating when he said that they would amount to "a fundamental change in our economy which will have profound repercussions on the life of us all".

COMMUNIST REACTION TO SEÑOR FREI'S VICTORY
IN THE CHILEAN ELECTIONS

19. Señor Frei's victory in Chile was a severe set-back to the Chilean Communists. At present the Communist leadership appear convinced that Señor Frei enjoys too much support to make it worth their while repudiating peaceful "united front" tactics in favour of a more violent policy. But the uneasy Communist-Socialist alliance is again under strain. Although Communist and Socialist leaders have reaffirmed their intention to use political means and work together in the Popular Front, individual members of both Parties have begun to advocate armed struggle against Señor Frei's government.

20. The Cuban Press openly voiced its disappointment at the Chilean vote in favour of a peaceful and democratic revolution, and claimed that Frei's victory was a triumph of "intimidation, bribery, calumny and foreign influence." Castro himself was willing to acknowledge that Señor Frei was a reformist, but he

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made it clear that he saw his reformism as a major challenge to his own revolutionary model for Latin America and that he would do his utmost to discredit Señor Frei's democratic reforms. The Russians took a rather more moderate line, ignoring the set-back for the "united front" tactics which they had recommended and claiming that Communists had had a major influence in shaping Frei's programme of reforms. The Chinese reported the election results without comment.

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CHRONOLOGY

- October 1 15th Anniversary of the Chinese People's Republic.
- 1-3 East German Government delegation led by Stoph visited the Soviet Union for the opening of an East German exhibition in Moscow; they had talks with Kosygin.
- 3 Economic and Cultural Agreements and Treaty of Friendship signed in Peking between China and the Congo (Brazzaville).
- 5 Chinese Delegation headed by Ulanfu arrived in East Berlin for the East German anniversary celebrations.
- 5 Maurer, the Rumanian Prime Minister, began talks in Peking with Mao Tse-tung and Chou En-lai.
- 5-11 Soviet Party and Government delegation led by Brezhnev visited East Germany for the anniversary celebrations.
- 6-7 Military parade in East Berlin to celebrate Fifteenth Anniversary of the D.D.R.
Ulbricht announced an amnesty for political and other prisoners.
- 12 Soviet Union launched the spaceship "Voskhod" with a crew of three.
- 12 Kadar arrived in Warsaw for talks with Gomulka.
- 12 Rumanian delegation led by Maurer left China.
- 13 The descent of "Voskhod" after sixteen orbits in twenty-four hours.
- 13 Khrushchev returned from his holiday to Moscow.

/October 13-15

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- October 13-15 Chinese delegation led by Ulanfu visited Moscow.
- 14-17 President Dorticós of Cuba visited the Soviet Union.
- 15 Announcement of Khrushchev's resignation from his top Party and Government posts and his replacement by Kosygin as Chairman of the Council of Ministers and Brezhnev as Party First Secretary.
- 15-18 Maurer, the Rumanian Prime Minister, visited the United Arab Republic.
- 16 The Chinese exploded an atomic device in Western China; Chinese government statement on nuclear question. The Chinese leaders sent a message of greetings to Brezhnev and Kosygin.
- 17 Pravda leader criticised "harebrained scheming, immature conclusions and hasty decisions" without naming Khrushchev and reasserted Soviet commitment to a policy of peaceful co-existence. Chinese message to heads of government calling for a summit conference to abolish nuclear weapons.
- Borba attacked Chinese nuclear test.
- Pravda published French and Italian Communist Party statements criticising Chinese policies and affirming their intention to attend the preparatory meeting on December 15 in Moscow. Tito hurried back to Yugoslavia from Cyprus and sent formal congratulations to Brezhnev and Kosygin.

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- October 17 (continued) Soviet Press carries brief announcement of Chinese nuclear test.
Article published in the Czechoslovak Party newspaper on measures to improve the Czechoslovak economy.
- 18 Speech by Brezhnev in Moscow at a ceremonial welcome for the three cosmonauts.
Kadar, on returning to Hungary from Poland, admitted that Khrushchev's dismissal was "news which surprised me".
Prayda reported on Iraqi Communist statement attacking the Chinese attitude to a world conference of Communist Parties.
Slogans for the 47th anniversary of the October revolution appeared in the Soviet Press.
- 19 Soviet Delegation to Yugoslavia, which included Marshal Biryuzov and Major-General Mironov, killed in an air crash near Belgrade.
- 22 A People's Daily editorial on the significance of the Chinese nuclear test included disparaging references to the Test Ban Treaty.
- 22-29 Tsedenbal, the Mongolian Party leader, had talks with Brezhnev and Kozygin during a brief stop in Moscow on his way to Poland.
- 23-29 Mongolian Communist Party delegation led by Tsedenbal visited Poland.
- 24-29 French Communist Party delegation led by Party Secretary Roland Leroy visited Moscow and had talks with Brezhnev, Podgorny, Suslov and Ponomarev.

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- October 26 Trial began in Warsaw of writer Melchior Wankewicz.
- 27 Italian Communist Party delegation led by Enrico Berlinguer arrived in Moscow.
- 27-30 Australian Minister of External Affairs visited the Soviet Union.
- 27-28 The Laotian Prime Minister, Prince Souvanna Phouma, visited Moscow and had talks with Gromyko and Kosygin.
- 27-Nov.2. Danish Communist Party delegation led by the Party Chairman, Knud Jespersen, visited the Soviet Union.
- 29 The President of the Board of Trade visited Moscow on his way to Peking and was received by Kosygin.
- 30 Ponomarev held talks with Dange, the Indian Communist leader.
- 30 The Turkish Foreign Minister arrived in Moscow and had talks with Gromyko on October 31.

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COMMUNIST POLICY AND TACTICS

December 1964

SUMMARY

It looks as if the new Soviet leaders may be beginning to move cautiously into the arena of international discussions. But Soviet statements during the month gave no indication that important Soviet initiatives on the central problems in East-West relations or changes in the Soviet attitude to them were likely. (Paragraphs 1 - 5).

Hopes of an interim solution of the problem of United Nations finances were dashed by a last-minute change in Soviet tactics. (Paragraph 6).

After a brief and half-hearted attempt by the Chinese and the Russians to re-examine their relations, their quarrel is now almost back at the stage it had reached on the eve of Khrushchev's fall. (Paragraphs 7 - 9).

The fall of Khrushchev has not affected the determination of the Rumanians to preserve and if possible extend their freedom of action. The main lines of Yugoslav internal and foreign policy were reaffirmed at the Eighth Yugoslav Communist Party Congress. (Paragraphs 10 - 12).

Soviet advocacy of "United Front" tactics with Arab socialist regimes is causing confusion among Arab Communists. The Chinese are also seeking to expand their influence in the United Arab Republic, which was included in the Chinese Foreign Minister's recent tour of Afro-Asian countries. (Paragraphs 13 - 15).

Internally the new Soviet leaders have not introduced any important changes in economic priorities; they appear to be tackling Soviet economic problems in a methodical and practical manner. (Paragraphs 16 - 19).

EAST-WEST RELATIONS

1. Kosygin, the Soviet Prime Minister, said in his speech to the Supreme Soviet on December 9 that the Russians were willing to talk and "to work stubbornly and patiently for a settlement of international problems", and he declared a wish to develop relations further with the West. He has accepted an invitation to visit the United Kingdom, the dates remaining to be fixed, and Gromyko has also accepted an invitation to come to London in March. It looks as if the new Soviet leaders may be beginning to move cautiously into the arena of international discussions. Soviet statements during the month gave no indication, however, that important Soviet initiatives on the central problems in East-West relations or changes in the Soviet attitude to them were likely.

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2. At the United Nations Gromyko's speech in the General Debate dealt at length with the problems of disarmament, but it seemed to be designed mainly for the record and contained no new proposals. Later in the month Kosygin announced a small cut in the Soviet military budget, which he linked with a similar American intention to reduce defence expenditure. Soviet defence spending is often concealed under other budget heads, but this latest reduction was probably intended to be a serious political gesture. It is also an illustration of the Soviet preference for a policy of seeking disarmament "by mutual example."

3. The Russians have continued to express very strong opposition to any N.A.T.O. multilateral nuclear force, including British proposals for an Atlantic Nuclear Force, and have accused the British Government of going back on earlier statements on the Multilateral Force. Their call for consultations among the Warsaw Pact powers is probably designed to spread a fear that the creation of any multilateral force will be followed by ominous developments in Eastern Europe and a renewal of tension in East-West relations (the last Political Consultative Committee meeting of the Warsaw Pact took place in July 1963). Some of the East European countries have also been voicing fears about the consequences of the formation of a multilateral force.

4. The main purpose of Mikoyan's short visit to Finland was probably to reassure President Kekkonen that Khrushchev's removal had not brought about any change in Soviet policy towards Finland. In public statements Mikoyan referred with approval to the President's nuclear free zone proposals and expressed appreciation of Swedish neutrality and of the refusal of Norway and Denmark to permit the stationing of nuclear weapons on their soil.

5. In the developing countries, the Russians continue to pursue actively anti-Western policies. Soviet propaganda on the Congo has been very harsh. The Russians have said that they will aid North Viet Nam if the war is extended; they have released the text of a Soviet Government statement on Laos, complaining of increased American military interference and calling on the Laotian Prime Minister to stop military operations against the Pathet Lao. This apparent intensification in Soviet support for "national liberation movements" is probably connected with the renewed Soviet campaign to obtain the backing of uncommitted countries for their attendance at the second Afro-Asian conference, which is due to be held in Algiers in March, and also with their wish not to be outbid by the Chinese. But it also shows that the hostile aspects of peaceful co-existence remain unchanged.

THE UNITED NATIONS

6. Just before Christmas, it began to look as though there was some give in the Soviet attitude towards Article 19. Negotiations had been directed towards drafting a resolution, supported by the Afro-Asian members, which would have permitted the General Assembly to begin its normal business. The idea was to set up a voluntary fund, to which defaulters could contribute without prejudice to their positions about peace-keeping expenses. This would have provided an interim solution if defaulters paid enough to get them out of reach of Article 19 (about £9½ million in the case of the Russians). The Russians

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at first indicated that they might be willing to make a non-specific payment but later, when the agreement of all concerned was thought to be close, they insisted on amendments which would have had the effect of allowing Article 19 to go by default without any guarantee of adequate payment. Negotiations are still continuing.

THE SINO-SOVIET DISPUTE

7. Following Chou En-lai's abortive visit to Moscow in November and the abrupt Chinese rejection of a Soviet invitation to attend a postponed meeting of the drafting commission for a world Communist conference to be held in Moscow at the beginning of March, the Russians issued a brief announcement that the first session of the preparatory meeting had been called for March 1. The Soviet statement claimed that the postponement had been decided "on the basis of mutual consultations conducted between fraternal parties" and that it was designed to give time for "better preparation"; a formula probably designed to reassure the many Communist parties who have doubted the wisdom of Soviet tactics in the dispute. Nothing was said of the Chinese attitude. Shortly after the publication of the Soviet announcement, the Indonesian Communist Party stated publicly that it would not participate in the work of the drafting commission and the other pro-Chinese Communist parties represented on it seem likely to follow suit.

8. The attitude of some of the other Communist parties on the commission also remains doubtful. The Rumanians in particular have not committed themselves to attend and may well decide to stay away. The Cubans are anxious not to become involved in the Sino-Soviet dispute. The British Communist Party has expressed reservations about the Soviet announcement, pointing out that it omitted to state where the meeting would be held or which of the 26 parties would attend it. The Italian Communist Party welcomed the postponement and, echoing the Togliatti memorandum, said it should be used for a more profound study of the problems facing the Communist movement and to strengthen its unity. The new Soviet leaders now appear to face a similar situation to that which confronted Khrushchev on the eve of his fall. The preparatory meeting is once again on the agenda; the prospects are that the Chinese and their allies will not be present, while many of the parties nominally on the side of the Soviet Union are in fact lukewarm about Soviet tactics and will resist any move to use the meeting as a court in which to condemn the Chinese. It is hard to see how the Russians will be able to derive much advantage from the meeting; but, since they could have abandoned the idea when Khrushchev was dismissed, they have evidently decided that despite the obvious disadvantages it is in their interest to confront the Chinese problem in this way.

9. While giving no indication of the possibility of any compromise from the Soviet side on points of principle, the Russians in their public pronouncements have continued to avoid direct polemics or saying anything which could lay them open to the charge of seeking to exacerbate the dispute. It seems doubtful how long the new Soviet leaders will be able to maintain this restraint; although the Chinese have refrained from direct attacks on them, some of China's Communist allies are becoming increasingly pointed in their comments on Khrushchev's successors.

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RUMANIA

10. The Rumanians have provided further evidence that the fall of Khrushchev has made no difference to their determination to preserve and if possible to extend their freedom of action. Apart from their support of the Chinese on a number of questions at the International Union of Students' meetings in Prague and Sofia, the Rumanians have now published Maurer's reply to Chou En-lai's message on the occasion of the Chinese nuclear test, expressing understanding for the reasons which led the Chinese to explode their bomb and endorsing the Chinese proposal for a World Summit Disarmament Conference. The Foreign Minister, Manescu, in a speech at the United Nations as co-sponsor of the motion proposing the admission of China to the United Nations, described her as "the fifth nuclear power, which has an important role in the struggle for the co-ordination of peace." More objectionable than this to the Russians, however, will have been the latest Rumanian demonstration of anti-Russian nationalism: the publication in Bucharest of a series of articles by Karl Marx in which he concluded that Bessarabia should belong to Rumania and that the Turks had no right to cede it to Tsarist Russia.

YUGOSLAVIA

11. The Eighth Yugoslav Communist Party Congress, the first to be held since 1958, reaffirmed the broad lines of Yugoslav policy in internal, international and intra-bloc affairs. It was emphasised that the country's economic difficulties should be overcome not by greater central control of the economy, but by more effective decentralisation. Party workers were urged to be better examples to those around them, and there was criticism of their failure to inspire youth. Particular concern was shown at rivalries between the various republics and nationalities. Despite this self-criticism, however, the Congress adopted a revised Statute for the Party which was more liberal than that which it replaced. There was also a considerable turnover in Central Committee membership, with an influx of new and younger members.

12. Although adopting a stridently anti-colonialist tone in his advocacy of the policy of active non-alignment, Tito was forthright in his criticism of the Chinese and in his approval of Khrushchev's policies. This latter point was doubtless one of the reasons why the Congress received scant coverage in the Soviet press, which tended to throw doubt on decentralisation as a solution for economic troubles and displayed concern at the inadequacy of the role set for the Yugoslav party. Press comment in other East European countries generally followed the cautious Soviet line, but it was noteworthy that on his return home the Hungarian delegate to the Congress not only praised its self-critical atmosphere but also drew particular attention to the discussion of the policy of non-alignment.

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THE SOVIET UNION AND THE ARAB WORLD

13. Mr. Kaissouni, the Egyptian Deputy Prime Minister with a special responsibility for economic affairs, visited Moscow during December, possibly in order to forestall a Soviet demand for the repayment of Soviet loans now due in hard currency. Shortly afterwards Shelepin, a member of the Soviet Communist Party Presidium and a Deputy Prime Minister, arrived in the United Arab Republic. Immediately after Khrushchev's fall, there were unconfirmed reports that Soviet largesse to the United Arab Republic was among the items in the indictment against him; Shelepin in a speech to the United Arab Republic National Assembly was at pains to assure his hosts that Soviet commitments to the Aswan High Dam would be discharged in full and on time. He also mentioned Soviet support for "the Congolese people" and aid to the Congolese rebels is likely to have been one of the subjects of discussion with the United Arab Republic leaders. Two days after Shelepin's departure, details were announced in Cairo of a large Chinese loan to the United Arab Republic for the purchase of industrial equipment for her second five-year plan.

14. Shelepin spoke approvingly of the United Arab Republic's economic, social and political progress; this is in line with the current Soviet advocacy of "United Front" tactics with Arab Socialist regimes. The change from the earlier and more reserved Soviet attitude to President Nasser's brand of socialism has caused considerable confusion among Arab Communists, who have been called upon to adopt an attitude of enthusiastic support for President Nasser. However, a communiqué published in the Soviet press on a recent meeting in an unstated place (probably Prague) of "Communists of the Maghreb and the countries of the Arab East" makes it clear that, although the Russians have decided it is politic to express approval of the regimes in Algeria and the United Arab Republic, Communist thinking is well to the left of their present governments. The United Arab Republic was described in the communiqué merely as "having embarked on a non-capitalist path of development," whereas Algeria was said to have entered onto the path of socialism and the F. L. N. called "the Party of the vanguard" uniting all the revolutionary forces including the Communists. The communiqué implied that the United Arab Republic would only qualify for the more favourable description if the Communists (who were released from prison earlier this year) were allowed to play an active part in the Arab Socialist Union.

/CH'EN YI'S TOUR OF ...

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CH'EN YI'S TOUR OF AFRO-ASIAN COUNTRIES

15. The visits recently paid by Ch'en Yi, the Chinese Foreign Minister, to the United Arab Republic, Algeria, Pakistan, Cambodia, Burma and Indonesia may have been intended to enable him to discuss the forthcoming Afro-Asian Conference. Chen was clearly intent on stiffening his hosts' "anti-imperialism" and ensuring that they would play no part in inviting the Soviet Union to the Conference. The Chinese rely heavily upon Indonesian support at the Afro-Asian Conference and may well have been a little alarmed by the implications of Indonesian sponsorship of a subsequent Conference of the New Emerging Forces (CONEFO), which would include the Soviet Union with the other Communist countries.

THE SOVIET BUDGET AND PLAN FOR 1965

16. Kosygin's speech to the Supreme Soviet introducing the 1965 Plan put the main stress on the need for greater efficiency and rationalisation in the Soviet economy and severely criticised many of its present shortcomings. The speech was remarkably free from the usual dogma and Lenin's authority was quoted only once, in support of the "practical, business-like and scientific approach" which Kosygin himself appears to favour.

17. The Budget and Plan provided no evidence of any important change in economic priorities, although the new leaders are cautiously seeking to undo some of the less workable arrangements they have inherited. There was no swing towards defence or heavy industry and most of the emphasis was on benefits for the consumer. There should in any case be improvements for the consumer as a result of the better 1964 harvest, the pay awards to teachers, doctors, and other workers in the service industries and the rising output of goods such as washing machines and television sets. But the very high target for housing is likely to prove beyond the capacity of the Soviet construction industry which came in for severe criticism from Kosygin. In assuming a higher rise in national income in 1965 than in the preceding two years the new Soviet leaders appear to be pinning unrealistically high hopes on an increase in agricultural production (a rise of 12 per cent is planned for 1965; the actual rate of growth from 1959 to 1963 is estimated at no more than one per cent a year and articles in the Soviet press have revealed how severely collective and State farms have been squeezed to achieve this year's grain deliveries.) The farms are, however, promised a spectacular rise in the supply of fertilisers, as well as further concessions in the form of a better price for their milk and also income tax reliefs.

18. The Defence allocation in the budget was reduced for the second year running; but the new figure is still well above

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the 1960 rate of spending on defence. Expenditure on science, much of which is linked to defence needs, has increased by over half since 1960 and a further rise of nine per cent is planned during 1965. If there is to be a genuine reduction in military expenditure (and it seems unlikely that total spending on defence and space did in fact decline as planned in 1964) there will have to be major schemes of retrenchment, or a startling increase in efficiency in the military and defence production establishments. There was no sign of these during the current year and no cuts in manpower were announced.

19. Kosygin's speech included strong support for proposals for liberalising the administration of the Soviet economy, of a kind which Soviet economists have been advocating for some years and which are linked with the name of Professor Liberman. Kosygin advocated direct links between manufacturing enterprises and the shops selling their products and made it clear that he wishes to establish these links not only in the production of consumer goods, but also in the manufacture of machinery and all kinds of industrial equipment. He advocated greater use of economic incentives and appealed for an improvement in the quality of manufactured goods. He also showed himself a strong supporter of more independence and greater responsibility for the heads of industrial enterprises, the elimination of unnecessary bureaucracy, the introduction of cost accounting and the recognition of the importance of profits. He has shown good intentions and a methodical and practical approach to the economic problems facing the Soviet Government. But there has not of course been time yet to see how successful he will prove in putting his ideas into practice.

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CHRONOLOGY

- November 27- December 3 Ch'en Yi, the Chinese Foreign Minister, visited Indonesia.
- November 28- December 9 International Union of Students Congress in Sofia. The Chinese and Albanians refused to sign the final Communiqué.
- November 30- December 4 A Czech Party and Governmental Delegation led by Novotny visited Moscow and held talks with Brezhnev, Kosygin and other Soviet leaders.
- December 3-6 Ch'en Yi visited Burma.
- " 6 A Pravda article on the state of the whole people refuted Chinese criticism of this concept.
- " 6-7 Central Committee Plenum of the East German S.E.D. Party.
- " 7 Gromyko spoke at the United Nations General Assembly.
- " 7-13 Eighth Yugoslav Communist Party Congress in Belgrade.
- " 8 I.Y. Yusupov dismissed from the post of First Secretary of the Kazakh Communist Party and replaced by D.A. Kunaev. The Party's Second Secretary was also removed.
- " 8-11 Meeting of the Supreme Soviet at which Kosygin introduced the 1965 Plan.
- " 11 The Rumanian Prime Minister replied to Chou En-lai's letter on nuclear questions of October 17.
- " 12 Pravda announced the postponement of the Meeting of the Drafting Commission for a World Communist Conference from December 15 to March 1.

/December 14

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- December 14 Indonesian Communist Party announced that they will not attend the Meeting of the Drafting Commission to be held in Moscow on March 1.
- " 14 The Indonesian Communists published a Communiqué attacking revisionism following the visit by members of the pro-Chinese Australian Communist Party.
- " 15 Speech by Ponomarev at the Indian Communist Party Congress.
- " 16 Soviet authorities expelled three American and one British Service Attaché.
- " 16 Pravda published an article attacking Holden Roberto, and expressing support for the rival "Popular Movement for the Liberation of Angola".
- " 17 The Chinese formally dismissed the Dalai Lama from his post of Chairman of the Preparatory Committee for the Tibet Autonomous Region.
- " 18-21 Subandrio visited Moscow for talks with the Soviet leadership.
- " 19-29 Shelepin, Deputy Chairman of the Soviet Council of Ministers, visited the United Arab Republic.
- " 21 The Third National People's Congress opened in Peking.
- " 21-23 Mikoyan paid an unofficial visit to Finland for an exchange of views with President Kekkonen.
- " 21 Gromyko stopped off in East Berlin on his way back to Moscow from New York.
- " 21 Rapacki was in London for talks with Mr. Gordon Walker on his way back from New York.
- " 23 Soviet newspapers revealed that L.N. Efremov, a candidate member of the Soviet Party
- /Presidium,

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- December 23 Presidium, had been appointed First Secretary of the Stavropol Region Party Committee.
- " 23 The Cuban leader, Guevara, gave an interview in Algiers to the weekly African Revolution.
- " 23 Soviet Government Statement on Laos.
- " 28 The Chinese reported that Saifudin had given a detailed account of subversion from abroad in Sinkiang.
- " 29 Chou En-lai's speech at the National People's Congress published in Peking.
- " 31 Announcement of large, interest-free Chinese loan for the purchase of industrial equipment for the U.A.R's Second 5-year Plan.

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BY HAND.



With the compliments of

HER BRITANNIC MAJESTY'S
EMBASSY

His Excellency
Mr. Bjarni Benediktsson,
Prime Minister.

BRITISH EMBASSY
REYKJAVIK

September 18, 1964.

early conference and to make it appear that their proposal was a collective one arrived at after lengthy consultations. They rejected Chinese arguments for postponement and reiterated that the purpose of a conference was not to excommunicate any Communist party, but to seek agreement. They asserted that even if some Communist parties did not send representatives, this should not be allowed to hinder the work of the preparatory commission; if the Chinese refused to attend the conference itself, it would be they who were responsible for splitting the Communist movement.

3. The wording used by the Russians in putting forward these proposals is such that, if the going becomes too rough, they could still wriggle out of holding a new world conference. But the effort they have devoted to organising one and their public commitment to a date for the preparatory meeting make it clear that they intend to persist and are prepared to accept the consequences of a more formal division of the Communist movement. They appear to be convinced that the only way in which they can hope to prevent the further disintegration of the Communist movement is to make Parties stand up and commit themselves formally to the Soviet side.

4. The response to the latest Soviet proposal has been very slow and can have given the Russians little satisfaction. They have so far claimed the support for this proposal of less than 30 Parties (among which they included, dubiously, the Italian); but even this low figure must be treated with reserve since the Soviet Press is not a reliable guide to the degree of support enjoyed by the Soviet Communist Party on any given issue in the dispute, as it often fails to give the date of statements made by foreign Communist parties and to specify which Soviet proposals or policies the individual Parties support. The Swedish and Norwegian Communist parties have reasserted their neutrality in the dispute in special statements and have failed to endorse the Soviet proposals; the latest Soviet moves have also caused dissatisfaction in other West European Communist

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POLICY AND TACTICS

SEPTEMBER 1964

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Russians wrote to the 26 Communist Parties in the 1960 Communist Party should send representatives to a meeting for the purpose of preparing for a conference in the middle of 1965. In their proposals, the Russians were at pains to stress that Communist parties insisted on an

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COMMUNIST POLICY AND TACTICS

AUGUST 1964

The Russians have announced the date of a meeting to prepare for a world Communist conference next year; the Chinese have said that they will not attend and there are indications that they may be considering a rival gathering of their supporters. The Chinese are seeking to embarrass the Russians for their failure to react more quickly and decisively to the crisis in North Vietnam arising out of incidents in the Gulf of Tonkin. Recent Soviet offers of help to the Republic of Cyprus have stopped short of any specific commitment to use Soviet forces to defend Cyprus.

THE SINO-SOVIET DISPUTE

2. At the end of July the Russians wrote to the 26 Communist Parties on the drafting commission of the 1960 Communist Conference proposing that they should send representatives to a meeting in Moscow on December 15 for the purpose of preparing for a new world Communist conference in the middle of 1965. In announcing this move, the Russians were at pains to stress that "an absolute majority" of Communist parties insisted on an early conference and to make it appear that their proposal was a collective one arrived at after lengthy consultations. They rejected Chinese arguments for postponement and reiterated that the purpose of a conference was not to excommunicate any Communist party, but to seek agreement. They asserted that even if some Communist parties did not send representatives, this should not be allowed to hinder the work of the preparatory commission; if the Chinese refused to attend the conference itself, it would be they who were responsible for splitting the Communist movement.

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parties. Of the 26 Communist parties represented on the preparatory commission, 19 give general support to Soviet views; but of these the Rumanian, Cuban, Polish, Italian and British Communist parties have not yet publicly agreed to attend the preparatory meeting.

5. The Chinese replied to the Soviet letter at the end of August. They again refused to take part in either the preparatory meeting or the world conference proposed by the Russians and said that "the day in December on which you convene your drafting committee will go down in history as the day of the great split in the international Communist movement". Their reply gave no indication of what steps they propose to take in order to counter the Soviet move. The Chinese have, however, published a resolution of the New Zealand Communist Party (on the Chinese side in the dispute) suggesting consultations between Parties opposed to an early world conference followed by a meeting to co-ordinate their policy and issue an agreed statement. This initiative may have been designed to provide the Chinese with a pretext for calling a rival gathering of their supporters, which they can claim has been forced on them by Russian moves. The 5 other pro-Chinese Parties represented on the preparatory commission (the North Korean, North Vietnamese, Albanian, Indonesian and Japanese Communist parties) have not yet given any indication of their intentions.

6. Meanwhile within China the Chinese leaders have chosen to make an example of certain lesser Party figures in order to strengthen their attacks on their opponents at home and abroad. The main figure involved so far, a former head of the Higher Party School, has been under criticism for some time in a newspaper catering for the Chinese intelligentsia for erroneously interpreting a rather abstruse point of dialectic; but the attack on him has now been taken over by the leading Chinese Communist Party journal.

RUMANIA

7. The celebrations for the 20th anniversary of the coup d'état which led to the establishment of Communist rule in Rumania were attended by delegations from all the Communist countries, including both Albania and Yugoslavia. The Chinese and Soviet sides avoided abuse of each other and competed in flattering the Rumanians. The last-minute despatch of Mikoyan, the Soviet President, to Bucharest was an earnest of the Soviet wish to please and of their anxiety to avoid the charge that they were giving the Rumanians second-class treatment (Khrushchev himself recently attended similar celebrations in Poland; he has now gone to Czechoslovakia and is also to visit Bulgaria shortly). The Rumanians appear to be remaining obstinately neutral in the Sino-Soviet dispute; there has been no official statement but only some rather inconsistent comment by Rumanian ambassadors abroad on whether or not Rumania will attend either the preparatory meeting or the world conference of Communist parties. The Chinese are making great efforts to woo them, but the Rumanians are undoubtedly aware of the need not to push things further than the Russians will tolerate and they apparently at present see no need to come off the fence in the Sino-Soviet dispute.

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DISSIDENCE IN WEST EUROPEAN COMMUNIST PARTIES

8. Most of the Communist parties of Western Europe are now pre-occupied with combatting pro-Chinese dissident activities. The Dutch Communist party is the latest victim; a pro-Chinese Belgian Communist newspaper has announced the formation of a dissident group called the Marxist-Leninist Centre in Rotterdam. Among the proscribed Communist parties, the Chinese have had some success in the Spanish Communist party. The Party, which has an estimated membership of about 5,000 many of whom live in exile, advocates peaceful tactics as the best means of defeating the present régime. Disagreement over whether or not to resort to violence has led to the emergence of dissidents.

THE ITALIAN COMMUNIST PARTY AFTER TOGLIATTI

9. Togliatti's greatest services to the Italian Communist party were to steer it through the confusion which followed de-Stalinisation and to adapt Communist doctrines to a modern West European state. His personal authority enabled him to initiate a debate on Communist dogma within his Party and in the international Communist movement without jeopardising the Party's unity or his relations with the Russians. In the international Communist movement he was the first advocate of polycentrism, insisting that Communist unity could only be maintained through a free debate of equal and autonomous Communist parties. These beliefs, together with his fears of the consequences of a split, determined Togliatti's attitude in the Sino-Soviet dispute. He was a staunch supporter of Khrushchev; but he opposed an international Communist conference on the grounds that it might lead to a formal division of the Communist movement. Soviet insistence on a conference faced Togliatti with a dilemma. A refusal to attend would have meant a break with his past in the Communist movement, when his personal views were in the final count subordinated to those of the Soviet Communist party; acceptance would have implied a negation of all that the Italian Communist party stands for today. This dilemma is now inherited by his successor and former deputy, Luigi Longo, who lacks the qualities of a popular leader and who is likely to have greater difficulty in holding together the various, potentially fissiparous elements in the Italian Communist party.

CYPRUS

10. In a statement on Cyprus issued in the middle of the month, the Russians said that they would help the Republic to defend its freedom and independence from foreign invasion and were "prepared to begin negotiations on this matter immediately". Although this and other recent Soviet statements go further than earlier declarations, they still stop short of any specific commitment to use Soviet forces to defend Cyprus.

11. There are various reasons why the Russians will be most reluctant to undertake direct military intervention. An attack on Turkey, because of her membership of N.A.T.O., involves a serious risk of East-West confrontation. Although Khrushchev has said that the Cyprus situation affects the security of the Soviet Union and its allies, it in fact contains no threat to the Soviet Union which would justify running risks of this magnitude. The provision of air cover over Cyprus would also present the Russians with serious logistic difficulties. There are, however, other lesser options open to them, in addition to the political support which they are giving to the Greek Cypriot cause: they could supply arms and other military equipment to the Greek

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Cypriots and make threatening gestures such as initiating military manoeuvres in areas in the Soviet Union and Bulgaria near the Turkish border.

12. The Russians are probably hoping to create a sufficient measure of fear of Soviet reactions to deter Turkey from intervening in Cyprus. The crisis also offers them opportunities to promote the disruption of N.A.T.O.'s Southern flank and to encourage demands for the removal of the British sovereign bases. They will try to prevent any solution based on Enosis, since this would draw Cyprus into the Western orbit. In addition, they are seeking to derive political and propaganda advantage from posing as the defenders of Cypriot independence; by offering arms now, they might hope to establish themselves as the long-term suppliers of arms to an independent Cyprus.

THE CONGO

13. Recent events in the Congo have featured prominently in both Soviet and Chinese propaganda. So far the Russians have denounced what they term "United States and Belgian armed intervention in the domestic affairs of the Congo", without promising any practical assistance. The Chinese, however, have been giving the rebels considerable help. They are known to have given financial aid to the subversive left-wing Committee of National Liberation in Brazzaville who are inspiring the rebel revolts in Kwilu and the Eastern Congo. Documents of Chinese origin on guerilla warfare techniques have been captured from the rebels. The large Chinese Embassy in Bujumbura has also been showing the rebels films on guerilla warfare techniques. The Chinese are also giving assistance to the exiled Watutsi leader, the ex-Mwami Kigeri V, whose Tutsi warriors are now fighting with the Congolese rebels in the hope of being able to invade Rwanda from the Eastern Congo.

THE SECOND AFRO-ASIAN CONFERENCE

14. In May the Russians sent a Note to Afro-Asian governments asserting their claim to be an Asian power and their right to participate in the second Afro-Asian conference (due to be held in Algiers in March 1965). In the ensuing months they made strenuous efforts to win Afro-Asian support for their case and this seems to have been one of the main objects of Mikoyan's journey to India, Indonesia, Burma and Afghanistan. They appear to have had little success; only the Indians, who have their own reasons for opposing Chinese wishes, have actively canvassed Soviet admission. In the middle of August the Russians published a further government statement, implying that they no longer insisted on taking part in the conference and denying that they had taken any initiative in raising the question of Soviet participation. The latest statement represents a climb-down on the part of the Russians and a rather clumsy attempt to conceal a tactical defeat at the hands of the Chinese.

VIET-NAM

15. North Vietnamese motives for creating the incidents in the Gulf of Tonkin which led to the United States retaliatory attacks remain obscure; it now seems more likely that they miscalculated the consequences which their actions would involve than that they sought to provoke the United States as a deliberate act of policy. The Soviet reaction to the ensuing crisis was conspicuously restrained. A mildly worded Tass statement issued at the time avoided any hint of possible Soviet

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involvement. Subsequent Soviet Press coverage indicated continuing Soviet embarrassment; much of the material condemning United States actions was taken from foreign sources and comment on the crisis soon fell away to a minimum. Gromyko's letter to the North Vietnamese Foreign Minister appeared to be aimed at refuting Chinese accusations that Soviet support for North Viet-Nam had been inadequate. Khrushchev's subsequent assertions (in speeches at Ordzhonikidze and also in Czechoslovakia) of Soviet willingness to stand up for other socialist countries in the event of war - as near to a threat as Soviet publicity came - also seemed designed for the record.

16. The Chinese already committed by an official statement in July not to stand aside in the event of an attack on North Viet-Nam, were quick to launch a propaganda barrage and massive demonstrations in support of North Viet Nam; they also deployed some fighter aircraft in North Viet-Nam (although this has not been mentioned in the Chinese Press). Apart from this their actions have been cautious, but they have seized on the opportunities offered by the crisis to embarrass the Soviet Union and to reinforce earlier Chinese charges of Khrushchev's "capitulationism". Their report of his speech at Ordzhonikidze was a direct attack on the weakness and dilatoriness of the Soviet reaction to the crisis; it was particularly critical of the Soviet Press for the space given to United States statements on the crisis. A letter from the Chinese Foreign Minister to the North Vietnamese published a few days later also implied that Soviet conduct in the United Nations and as Co-Chairman of the Geneva Conference had left much to be desired. Accounts in the Chinese Press of demonstrations of support for North Viet-Nam omitted reports of any in the Soviet Union and Eastern Europe (except Albania). Chinese tactics seemed designed to prepare the ground carefully so that, when they required it in the context of the Sino-Soviet dispute, they could accuse the Soviet Union of collusion with the United States and failure to rally to the side of the Socialist countries at a time of crisis. They have now done so in their latest letter to the Russians, which accuses them of "aiding and abetting the aggressor".

SOVIET INTERNAL DEVELOPMENTS

(i) Soviet Economic Planning Problems

17. Faced with the problems of managing an increasingly complex economy, Soviet planners are tending to be less dogmatic in their search for solutions and have probably been encouraged by Khrushchev's frequent injunctions to study and adapt for Soviet use the most advanced Western techniques. The latest contribution to the long-standing debate on economic reform was an article in Pravda in the middle of August by a leading Soviet specialist in automation, proposing various measures "for discussion"; they included the use of profit as the main index to regulate the work of industrial enterprises and the charging of interest on capital. The proposed reforms, which are similar to those advanced by Professor Liberman of Kharkov University two years ago and seem gradually to be gaining ground, would involve more decentralisation and greater independence for factory managers; the central planners would exercise control through economic levers such as fines, taxes, bonuses and a flexible price system. While favouring the increased application of computers the article criticised Soviet economic theorists who thought computers were the answer to all Soviet planning problems. In spite of the current display of official interest in more flexible production and pricing

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methods at factory manager level, the debate remains an academic one and there has been no indication of any willingness to abandon the centralised direction of investment.

(ii) Soviet Agriculture

18. During the first fortnight of August Khrushchev toured the main Soviet grain-producing areas, including the Virgin Lands. He expressed confidence that, in spite of continuing weaknesses in Soviet agriculture to some of which he himself drew attention, harvest prospects were good and the Soviet Union would be able to meet its own grain requirements this year and also add 5 million tons to reserve stocks. But as harvesting is late and a large part of the crop has not yet been gathered in the principal grain-growing areas, much will depend on the weather in the next few weeks and Khrushchev's claims should be treated with caution. The main emphasis of Khrushchev's speeches was on the need for greater specialisation by farms, especially in meat and dairy production, and also for more intensive cultivation of crops. These are likely to be main themes of the next Central Committee meeting which Khrushchev announced would be held in November to discuss agriculture.

(iii) The Soviet Tourist Industry

19. The increasing importance attached to tourism by the Soviet Government as a source of foreign currency and as a means of influencing foreigners in favour of the Soviet Union, has been shown by the recent elevation of Intourist to official status as a branch of the government; formerly it was nominally at least a share company in which the government and various public organisations participated. Intourist's budget is reported to have been enlarged and it has been announced that several new areas and routes within the Soviet Union are to be opened - some of them in areas previously inaccessible to tourists. A recent article in the Soviet Government newspaper specifically denied that the Soviet Union was deliberately restricting the flow of foreign tourists because of a fear of bourgeois ideology. It is claimed that almost a million foreign tourists visited the Soviet Union during 1963 and that the figures for 1964 are up by a quarter on the equivalent period last year.

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CHRONOLOGY

AUGUST

- 1 Adzhubei returned to the Soviet Union after a fortnight's visit to the Federal German Republic.
- 3 First North Vietnamese attack on United States destroyer in the Gulf of Tonkin.
- 4 - 18 Khrushchev's tour of the main grain-producing areas of the Soviet Union.
- 5 United States retaliatory air strikes against North Viet Nam.
Tass statement denounced American "aggression".
- 6 Chinese Government statement accused the United States of going "over the brink of war".
- 7 Death of Zawadski, Chairman of the Polish Council of State.

Announcement that the King and Queen of Afghanistan would pay an official visit to China in October.
- 10 A Pravda editorial announced that the 26 parties on the drafting commission of the 1960 Communist Conference had been invited to send representatives to a meeting on December 15 to prepare for a world conference in mid-1965.
- 11 The Chinese criticised Khrushchev for his delayed and muted response to the incidents in the Gulf of Tonkin.

The Swedish and Norwegian Communist parties in special statements reasserted their neutrality in the Sino-Soviet dispute.
- 12 Ochab elected Chairman of the Polish Council of State.
- 14 Soviet Government statement on the second Afro-Asian Conference, which implied that the Soviet Union would not insist on attending.
- 15 Soviet Government statement on Cyprus.
- 17 Article in Pravda by Academician Trapeznikov on the management of industrial enterprises.
- 19 Chinese publish resolution of the New Zealand Communist party suggesting consultations between Parties opposed to an early world conference of Communist parties.
- 21 Death of Togliatti in Yalta.

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AUGUST

- 23 Celebrations for the 20th anniversary of the coup d'état which led to the establishment of Communist rule in Rumania attended by delegations from all the Communist countries, including Mikoyan from the Soviet Union.
- 25 Tass statement on the Congo.
- 26 Luigi Longo appointed leader of the Italian Communist party.
- 27 Khrushchev arrived in Prague for a ten day visit.
- 30 Chinese release the texts of the Soviet letter of July 30 and of their reply dated August 30.
- 31 Red Flag article attacking Yang Hsien-chen, a former head of the Higher Party School in Peking, for ideological mistakes.

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