



Communist Policy and Tactics 1970, seinni hluti

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COMMUNIST POLICY AND TACTICS

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SUMMARY

Trends in Soviet policies

In mid-December Brezhnev made a major and evidently somewhat defensive reappraisal of Soviet policies at a session of the Central Committee. He evidently displayed concern at the economic results for 1969. In order to improve economic performance, the intention is apparently to wield the stick and impose stricter management and labour discipline. Brezhnev evidently related some of the internal problems to undue relaxation in foreign policy. It seems possible that Soviet overseas propaganda will be more acrimonious in the coming period but there is no sign so far of the Russians drawing back from negotiations already in train. There have been some suggestions of unease within the leadership but no clear pointers yet to change at that level.

Soviet Activities in the developing world in 1969

In 1969 the Russians devoted considerable attention and resources to their continuing attempt to gain influence in the developing world. Especially in the Arab world one major tool was the supply of Soviet military equipment to an extent where local armed forces became dependent upon Soviet goodwill. The Russians have succeeded in limiting the UAR's freedom of action at least externally and militarily. They also wield influence in Iraq and are paying considerable attention to the Sudan, Syria, South Yemen and Algeria. In Asia also there has been determined Soviet activity, motivated more than elsewhere by a desire to prevent the expansion of Chinese influence. India remains one of the most important Soviet targets and in 1969 the Soviet Union was successful in gaining further influence in many respects. Soviet influence is also increasing in Pakistan and the Russians have increased their diplomatic and commercial activities in a number of other Asian countries. The Russians are engaged in a longterm campaign to establish a position of influence in Africa. In West Africa they now concentrate above all on Nigeria. In East Africa their activities have in some instances been dictated by strategic considerations, for instance in the Somali Democratic Republic. They have shown considerable interest in Mauritius. In Latin America Soviet interest is less obtrusive but is appreciable and increasing.

Soviet Policy towards Nigeria

Throughout 1969 the Russians gave active support to the Federal Government by providing instructors, technicians and training, as well as arms and military aircraft. Now that the war has ceased they are publicly blaming the West for its length and exploiting critical reactions in the West to the Federal Government's policies, especially concerning relief supplies. The Russians have built up a good basis for the further development of their relations with Nigeria and for spreading propaganda via Nigerian communications media.

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The Nigerian leadership has shown reluctance to accept Soviet influence but there is wide-spread gratitude for Soviet support. Soviet influence could grow in the towns and particularly among the trades unions and the unemployed.

Sino-Soviet relations

There seems little chance of early progress in the second round of the Peking talks. But a breakdown seems unlikely. There has been a renewal of public polemics, especially on the Russian side. Moscow has made a particular point of attacking Chinese preparations against war. This round of polemics has brought into the open the sensitivity of each side about the other's relations with the United States.

Czechoslovakia

Husak has not yet shown himself, by communist standards, a dogmatist or reactionary. In the leadership changes in January he was obliged to accept a certain increase in conservative strength in the party hierarchy but evidently avoided any immediate threat to his own position.

North Korean Foreign Policy

The North Koreans are making efforts to establish relations with more countries. Their aim is to erode support for South Korea at the United Nations.

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TRENDS IN SOVIET POLICIES

For the greater part of 1969 Soviet policies were relatively static and the leaders could claim few successes in the face of problems for which there was no obvious solution. In the autumn, however, they turned their more pragmatic face to the world, undertaking several moves to consolidate the status quo, notably in relations with the United States, China, the Federal Republic of Germany, and Europe generally. There was some movement on the internal front, e.g. in the holding of the Collective Farm Congress, which was also of a confirmatory kind.

2. In mid-December Brezhnev made a major and evidently somewhat defensive reappraisal of Soviet policies at a plenary session of the Central Committee of the CPSU which preceded the annual economic review by the Supreme Soviet. There are only indirect indications of its contents so far. He evidently displayed concern at a continuing decline in rates of economic growth, which has resulted from low labour productivity and inefficient investment and organisation. There is also a serious problem of inflation, which is compounded by food shortages, especially of meat and dairy products. These seem to be partly a consequence of mishandling of a Party campaign for specialising farms. The intended remedies, which should be made explicit in the impending Five Year Plan, seem to amount to greater intensification in production, a "qualitative change" based on new technology, less dispersion of resources in new construction, better organisation of economic administration and planning on existing lines, and much stricter management and labour discipline.

3. The intention is apparently to wield the stick rather than to offer new carrots, and to pursue a more rigid line in ideology and propaganda. Propagandists have been enjoined not to disorient the less sophisticated sections of the public by raising controversial questions with them. Two First Secretaries of Central Committees in Turkic Republics have been removed recently, and two elderly Ministers have been retired, one of whom, the Minister of Food, is evidently a scapegoat. The scene is set for further changes, which will affect the composition of the Central Committee to be elected by a Party Congress, originally due in March but postponed, perhaps until the autumn. There have been some suggestions of unease within the leadership, but there are no clear pointers yet to change at that level.

4. Brezhnev evidently took a somewhat defensive line also on foreign policy; he seems to have told the Central Committee that the broad trends were working to Soviet advantage and that these should not be obscured by "ephemeral processes". It seems probable that he related some of the internal problems to undue relaxation on the external front. This could help to explain the sharper line which was taken towards the Federal Republic of Germany and the USA by the Soviet press during January, and also the renewal of polemics against China. References to Soviet military power as the purpose of internal effort and as a backing for foreign policy have begun to appear more regularly in the press and could well reflect the degree of preoccupation of the leadership with the functions of super-power. The propagandists are expatiating on the Lenin myth and better ways of opposing alleged Western efforts at ideological subversion. It seems possible that Soviet propaganda is going to be more acrimonious in the coming period. Although a leading press commentator has said that the

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importance of negotiations should not be exaggerated, there is, so far at least, no sign of the Russians drawing back from such negotiations as are at present in train. Soviet agreement to hold four power talks on Berlin seemed imminent at the end of January.

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SOVIET ACTIVITIES IN THE DEVELOPING WORLD
IN 1969

The main activity in Soviet foreign policy in 1969 seemed to be centred in the affairs of the world Communist movement and East-West relations. But the Soviet Union also devoted attention and resources to its continuing attempt to gain further influence in the developing world. One major facet of this effort was the development of the Soviet naval presence in the Mediterranean and the Indian Ocean. Other examples are reviewed below.

The Arab World

2. The Russians sought to reduce Western influence and increase their own, so long as no great risk of confrontation with the West was involved. They sought, by their naval presence, to limit the military options open to the West; and they worked for the establishment of regimes susceptible to Soviet pressure. One major tool in this respect was the supply of Soviet military equipment to an extent where Arab armed forces became dependent for spares, replacements and training upon Soviet goodwill.

3. The United Arab Republic was the Arab country where the Russians deployed the most persistent effort. The UAR army was almost entirely re-equipped with Soviet material in 1967, following the June war, and 1968. There are Soviet military advisers in the army. The UAR is the second largest recipient of Soviet aid (after India). It is the Soviet Union's leading trade partner in the developing world. As a result of this the Russians wield considerable influence in Cairo. They appear to have exercised this influence to reduce the risk of the UAR's starting renewed full-scale fighting with Israel. But so far they do not seem prepared to use their influence to press Nasser into making concessions in order to bring about progress towards a political settlement of the Arab/Israel dispute. On the contrary it seems probable that the UAR has so far been successful in persuading the Soviet government not to make concessions in the four-power talks. Soviet influence on UAR foreign policy was a crucial factor in the establishment of diplomatic relations between the UAR and East Germany in 1969. The UAR is not a satellite but the Soviet Union has already succeeded in limiting its freedom of action, at least externally and militarily. The future of Soviet influence in the country depends on the future of the UAR regime and on what succeeds it.

4. Soviet influence in Iraq has not developed to the same extent. But the Iraqi forces now depend completely on the European communist countries for equipment. There have been agreements for the supply of Soviet production goods and heavy machinery on very favourable terms and on the exploitation of Iraqi natural resources, especially oil. The political pay-off here has also included recognition of East Germany; in addition, the Iraqi news media, which are state-controlled, uniformly praise the Warsaw Pact and attack the West, and even the invasion of Czechoslovakia was approved. However, although there are some 250 Soviet advisers with the Iraqi armed forces, their duties are principally technical and they are thought to have little or no influence on military policy. The aims of the Ba'athist regime remain Iraqi, Ba'athist and Arab above all, while socialism (of the kind the Russians hope to see developing) comes at best a weak fourth.

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5. Syria remains for the Russians a target of opportunity. They cannot afford to fall out with her, but the relationship is one in which they give by way of material assistance much more than they seem likely to get back in terms of strategic or political advantage. Implementation of the 1966 agreement to build the Euphrates Dam progresses slowly. The continuing friendly relationship between the Syrians and the Chinese is an irritant in Syrian-Soviet relations, as is the continued restraint placed on the Syrian Communist party. Soviet activities in the People's Republic of South Yemen (PRSY) do not yet amount to much although the number of Russian advisers and technicians in Aden increased in the last quarter of 1969. But on the assumption that the Suez Canal will one day be open, the PRSY will probably be of even greater strategic value to the Soviet Union on account of its position in relation both to the Indian Ocean and to the Hadhramaut and Gulf States. If the Arab-Israeli situation, in which the PRSY has no active part, should be resolved, the Republic might well become more important for Soviet policy in the Arab world; in any event, the Russians must feel that there is need to balance Chinese activities, which have had some effect in PRSY.

6. The Sudan is important both in an Arab and an African context, and since the coup in July 1969 has been much more active in developing aid and military relations with the USSR. Unlike any other Arab country, it has a number of competent Russian-oriented communist politicians, many of whom are already well known in international front organisations. Khartoum is proving to be a useful venue for conferences of front organisations and other such activities, and an increasing number of military and civilian advisers from the Communist countries are expected to go to the Sudan.

7. The Algerian forces have been equipped almost entirely by the Soviet Union. Aid disbursements are increasing rapidly. The Soviet Union is Algeria's biggest foreign trade partner after France. But Boumedienne is a more difficult customer from the Soviet point of view than Ben Bella and the Algerians, who are already suspicious, will probably limit the scope for Soviet encroachment. In Libya, the new regime is potentially much more sympathetic towards the Soviet Union than its predecessor. But there is no sign yet of significant progress by the Russians in gaining a foothold.

Asia

8. Here too there has been very considerable Soviet activity. It is motivated, much more than in other areas, by a desire to prevent the expansion of Chinese influence, as well as to extend Soviet influence for its own sake and to supplant that of the West. At the same time as building up its naval presence and seeking port facilities in the Indian Ocean, the Soviet Union has increased its diplomatic and commercial activities in a number of countries in southern Asia, including Malaysia and Singapore. Following the establishment of diplomatic relations with Malaysia in 1967 and the development of trade thereafter, the Soviet Minister of Trade visited Malaysia in 1969 and offered long term credit on easy terms. Singapore-Soviet relations have followed a similar pattern and a commercial air service agreement has been followed by weekly flights by aeroflot from Singapore to London via New Delhi and Moscow. Relations with Indonesia continue to be embarrassed by Moscow's propaganda support for Indonesian communists, and no agreement has been reached on the rescheduling of Indonesia's debts, totalling over \$860m. including servicing payments up to 1988, although discussions are continuing. The Soviet Union

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Union has continued to cultivate Burma and Cambodia and moves towards trade and cultural contacts have been made with both Thailand and the Philippines. A notorious Soviet journalist has even visited Formosa.

9. India remains one of the most important targets of the Soviet effort to gain influence in the developing world. During 1969, the Soviet Union was successful in extending its influence on all fronts. India's trade with the Soviet Union increased. Although the India Government claims that this is beneficial, the disadvantage of rupee trade has not been lost on its domestic critics. The Soviet Union gives India more credit aid than to any other country. Terms are harder than those of the West and India's indebtedness on this account is formidable. Soviet arms supplies increased Indian dependence on the Soviet Union. Soviet arms supplies to Pakistan, however, aroused some disillusion in India. In the propaganda field the Soviet Embassy in Delhi circulates locally three times as many periodicals as any other Embassy. The Soviet Union now broadcasts in 13 Indian languages for nearly 160 hours per week. Soviet text books in English are now integrated into the Indian educational system.

10. The Soviet presence in Pakistan is not nearly so extensive, but is increasing. Substantial credits for heavy and technical equipment, oil exploration and other surveys have been increasing since they began in 1961. Trade has grown considerably and some Soviet tanks were delivered in 1969. High level visits in both directions have been taking place since 1965 and President Yahya is believed to be going to visit Moscow early in 1970.

11. The unsuccessful Soviet attempt in 1969 to bring about a regional economic conference, with India, Pakistan, Iran and Afghanistan participating, to discuss economic co-operation and especially trade transit routes, was no doubt motivated by a desire to reconcile differences between Asian countries and thus reduce their vulnerability to Chinese penetration. Brezhnev's call for an Asian security system, made in June but not so far formulated in clear terms, is also aimed at preventing the spread of Chinese influence, as well as extending Soviet influence especially in the wake of possible American as well as British military disengagement from the area.

Africa

12. Although this is not at present so important a field of the Soviet campaign to gain influence in the developing world - in 1954-68 it received only some 15% of all Soviet aid offers to developing countries - the Soviet Union is still engaged in a long-term campaign to establish a position of influence there. Having suffered a number of setbacks in recent years the Russians are now proceeding cautiously, in order to project an image of respectability. In their relations with African countries, they have demonstrated the flexibility of Soviet diplomacy and have accepted for the time being the necessity of working through existing regimes. At the same time, they continue to carry out covert activities through organisations like trade unions and Friendship Societies, as in Nigeria. And the break in relations with the Ivory Coast in May, 1969 may well have been caused by Soviet interference in internal affairs, including student disturbances.

13. Since the early 1960's, the Soviet Union has shown a particular interest in gaining influence in West Africa. Relations with Mali, Guinea and Ghana

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developed rapidly until the fall of President Nkrumah in March, 1966. This was a severe setback to the Russians, who had viewed favourably the political development followed by Ghana. Subsequently they expanded their activities in other countries of West Africa, including Togo, Sierra Leone and above all Nigeria.

14. In the last few years, however, the Russians have also concentrated on East Africa. They approve of the course being followed in Tanzania, but at the same time seem worried at Chinese infiltration in connexion with the Tan-Zam railway. Soviet activities have in some instances been directed towards countries where there is a strategic interest, for example the Somali Democratic Republic. The Russians need port facilities in this area, and one of their major projects has been assistance in the development of the port of Berbera, at a cost of approximately \$7½m. Russian warships began to call there shortly after completion of the port at the beginning of 1969. The Russians have also shown considerable interest in Mauritius, with which they established diplomatic relations in November, 1968 and signed a Fishing Agreement in August, 1969, and a Cultural Agreement in the following month.

15. In December, 1969 Congo Brazzaville established a regime with obvious Communist trappings. The country is now called the People's Republic of the Congo, and the new flag incorporates the hammer and sickle. The government is in the hands of a Council of State headed by the President, who also leads the party. It is open to speculation whether this regime, if it lasts, will maintain relations equally with the Soviet Union and China. Some leading party posts have gone to Maoist sympathisers. The regime has agreed to exchange legations with East Germany.

Latin America

16. Although Soviet interest in Latin America is less obtrusive, it is appreciable and increasing. Its main objective is to increase Soviet influence among governments and to undermine United States influence generally, by exploiting nationalism, frustration and anti-American sentiment. In 1969 the decision to establish diplomatic and trade relations with Peru and to exchange Ambassadors with Bolivia, after the military governments had nationalised the International Petroleum and Gulf Oil Companies, illustrated Soviet readiness to profit from possibly unexpected opportunities to extend links with the area. Relations were also established with Venezuela and activated with Ecuador in 1969.

17. Both Soviet and local Communist propaganda stresses the need for greater economic links, and denigrates economic co-operation with the United States. The Russians have, however, shown themselves to be aware of the potential cost of becoming too deeply involved in Latin American economies, despite the advantages they might reap from a U.S. withdrawal from a particular country. Their offers of trade to Peru have so far been limited to regular commercial terms. Negotiations are, however, taking place about Soviet credit and machinery for the Olmos irrigation project, which could become the largest Soviet economic undertaking in Latin America. The Soviet Union was quick to make clear in 1969 that it was not prepared to absorb the large Ecuadorean banana surplus. It is too early to estimate how far the Russians will be prepared to replace the U.S. in helping Bolivia economically, but there have been reports that they will buy her surplus oil and help the tin mining industry.

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CZECHOSLOVAKIA

Retrospect 1969

At the beginning of 1969 the leadership continued to affirm the post-January 1968 principles; but the presence of Soviet troops, the inevitably more restrictive régime, and the failure to tackle the problems of the economy were undermining confidence in them. The Prime Minister, Cernik, was slipping heavily in public esteem, while Dubcek seemed uncertain of his ability to lead the country. The ice-hockey riots of 28 March marked a crisis; attacks on Soviet property in Prague and other towns finally provided the Russians with the opportunity to press for changes in the Czechoslovak leadership. Husak replaced Dubcek as Party First Secretary on 18 April, when the Presidium was reduced from twenty-one to eleven members.

2. Husak set about "cleansing" the Party and restoring its leading role. This process gathered strength in the autumn. The mass media were brought under effective control and liberal journals suppressed. Leaders of trades unions were changed or brought to heel. Emergency measures were taken, designed to stabilise the economy by reducing inflation and increasing production. High-level exchanges between Czechoslovakia and the invading countries affirmed the policy of solidarity with the Warsaw Pact allies. At the conference of Communist Parties in Moscow in June, Husak's behaviour was beyond Russian reproach. The approach of the first anniversary of the invasion in August was accompanied by warnings of strong measures to deal with any trouble. In the event, the majority of the population marked the day by acts of passive mourning rather than by active resistance. A relatively small number, mostly young people, demonstrated in Prague and elsewhere. There was never any doubt, however, that the forces of authority would prevail. Soon afterwards an emergency law on public order and political loyalty was introduced which included a number of reactionary provisions.

3. August also saw a growing campaign by Husak and others against Dubcek, Smrkovsky and the forces of the so-called right wing, i.e. the reformers and progressives. There was still some uncertainty at the top about the severity of the treatment to be accorded to the liberals. At the end of September the Central Committee met, Dubcek was dropped from the Presidium, and Smrkovsky and others were dismissed from the Committee. Subsequently Dubcek was obliged to resign from Chairmanship of the Federal Assembly, and Smrkovsky from Chairmanship of the House of the Peoples. By the end of the year Smrkovsky had left the Assembly altogether and Dubcek's withdrawal from public life had been assured by his appointment as Ambassador at Ankara. Cernik, having engaged in sufficient self-criticism, remained for the time being Prime Minister of a newly announced Federal Government (of Slovakia and the Czech lands).

4. Before and during the September meeting the Central Committee paid special attention to reinterpreting the invasion. The Russians were acquitted of ill-intent. The Dubcek leadership was condemned for having allowed right-wing and counter-revolutionary forces to develop to a point where the future of socialism in the country was in danger. Although not yet explicitly recognised as right, the invasion was now officially declared to have taken place out of concern for socialism in Czechoslovakia and in the spirit of international socialist duty.

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5. By late October, Husak could claim to have purged the top levels of the party and the process was well under way at lower levels; the mass media had been reduced to orthodox conformity; the authorities had shown their determination and their ability to suppress public demonstrations; and the history of 1968 had been largely rewritten. At the end of the month Husak went to Moscow, accompanied by Cernik and President Svoboda. The main value to Husak of the visit was that it appeared to confirm his good standing with the Soviet Union. His authority within the Czechoslovak party was thus reinforced.

6. Since their return from Moscow the Czechoslovak leaders have continued their programme of political consolidation. Parliamentary elections and the 14th Party Congress have been postponed until 1971. The state of the economy, however, remains an enormous, unresolved problem. Serious inflationary pressures and a deteriorating balance of payments did not respond as much as was hoped to stabilisation measures imposed in May. The 1970 Plan, adopted after considerable delay on 23 December, envisages further stabilisation and central control and is a retreat from economic reform.

7. It has become clear that the Czechoslovak leadership are drawing an explicit parallel between the Hungarian experience of 1956 and their own present situation. Husak has said that they will adopt such of the Hungarian policies from that period as are applicable to Czechoslovakia. Though no liberal, he has not yet shown himself, by Communist standards, a dogmatist or reactionary. He continues to criticise Novotny by name as well as the internal political situation in Czechoslovakia before January 1968, and has so far abstained from the excesses of the Novotny era in the current purge of reformists. For this reason he may have to face up to increasing pressure from ultra-conservatives within the Party.

Central Committee Plenum

8. The much postponed Plenum of the Central Committee was held from 28 - 30 January, 1970. Political items dominated the agenda. Dubcek's resignation from the Central Committee "at the suggestion of the Presidium" was announced. Three Presidium seats changed ownership; in addition three candidate members (including Indra) were appointed. The departure of Cernik leaves President Svoboda as the only remaining representative of the "Prague Spring". Husak now has fewer clear-cut supporters in the Presidium. One of the newcomers, Kapek, is a definite hard-liner; another is Lenart, the last Prime Minister under Novotny, who also becomes First Secretary of the Slovak Communist Party. Strougal is replaced by Kempny as Head of the Party Bureau for the Czech lands. In the Government, Cernik also loses the post of Federal Prime Minister, to Strougal. There are seven new Ministerial appointments including that of Kaska to the Ministry of the Interior. (Kaska is a newcomer to the security apparatus and an unknown quantity in this key post.) Husak has thus been obliged to concede a certain accretion of conservative strength in the Party hierarchy, but has evidently avoided any immediate threat to his own position.

9. The Plenum announced the setting up of a twelve-man Commission to supervise the forthcoming "exchange of Party cards", which includes the hard-liners Bilak and Indra. Husak stated that the purpose of the exchange of Party cards was to enable the Party to renew its leading role in society at all levels, but he showed himself sensitive to foreign criticism that this was

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intended to be another purge, and denied that there would be any rigged trials or "police terror". Any significant extension of the campaign of revenge against those involved in the Prague Spring of 1968 would have implications for Husak's personal credibility and position.

10. On the economy, the Plenum does not appear to have been incisive, or to have added very much that is new. 1970 was described as a year for consolidation, in which the aim would be to slow down the growth of wages and to increase labour productivity. The emphasis is on the maintenance of centralised planning, but little work has yet been done on the fifth Five Year Plan.

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SOVIET POLICY TOWARDS NIGERIA

In the period 1960-1967 inter-Governmental relations between the Soviet Union and Nigeria developed slowly. The Russians however maintained contacts with left-wing political and trade union groups. When the secession of Eastern Nigeria led to the civil war the Russians seized the chance to increase their influence by firmly backing the Federal Government with supplies of arms of all sorts. Throughout 1969 Soviet policy was to give active support to the Federal Government by providing instructors, technicians and training in Russia, as well as arms and military aircraft. They continued to exploit the opportunities thus obtained to develop Soviet influence and made clear that they were not interested in any suggestions of an international arms embargo.

2. Now that the war has ceased they have started to exploit the situation, publicly attacking Western countries as neo-colonialists and claiming that it was the influence of Western powers, and oil interests, which led to the secession and prolonged the war. Soviet propaganda is also exploiting to the full the critical reactions over the Federal Government's policy, especially concerning relief supplies, in the Western news media.

3. Throughout 1969 the Russians also fostered their contacts through diplomatic channels, through trade and aid and through penetration of the trades union movement. There are many Soviet visitors to Nigeria and a considerable number of Nigerian students in the Soviet Union (137 left for Moscow in August 1969). In November, 1969 the Soviet airline, Aeroflot, inaugurated a weekly flight between Moscow and Lagos, while in the previous month an agreement was signed by which the Nigerian Information Service started to receive the Tass News Service. The Russians thus have considerable scope for the development of further relations and for spreading propaganda via the communications media.

4. There has been considerable reluctance to accept Soviet influence among the Nigerian leadership, but there is also gratitude; and the Army and Air Force have become significantly dependent on the Soviet Union for equipment. In the country generally and in sections of the Nigerian press, there is also gratitude for Soviet support. So far there may be no enthusiasm for Soviet ideology outside some small groups, and Nigerian rural society, which is based above all on the family, is unlikely to be attracted to Marxism-Leninism. Support could nevertheless grow in the towns, and particularly among the trades unions and the unemployed. The Russians invited the leader of the Pro-Soviet Nigerian Socialist Workers and Farmers Party to Moscow for the World Communist Conference in 1969, virtually a mark of recognition of the Party as a Communist Party. Although it is officially banned in Nigeria, as are all other political parties at present, there is no doubt that it is clandestinely active, and may be laying the foundations for considerable efforts when the ban on politics is lifted.

NORTH KOREAN FOREIGN POLICY

The North Koreans appear to be making considerable efforts to curry favour abroad, particularly in the developing world. A primary aim of this activity is presumably to erode support for the Republic of Korea (South Korea) at the United Nations, by which the Republic's security is guaranteed. In the last two years, the North Koreans have established some kind of relations with Burundi, Iraq, South Yemen, Equatorial Guinea, Zambia, Chad, Central African Republic, Sudan, Somalia and Singapore. Where appropriate, they exploit local anti-American feelings. Otherwise they present a front of sweet reason, appealing for a "neutral" attitude towards the problem of Korea on the part of the country concerned. From their point of view a "neutral" stance, leading to abstention at the United Nations, is almost as good as a vote for North Korea, since it reduces the majority in favour of continued United Nations action in Korea.

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SINO-SOVIET RELATIONS

The New Year has brought a resumption both of the Sino-Soviet border talks begun on 20 October and of the heated public polemics which had died down after the negotiations first began.

2. First Deputy Foreign Minister Kuznetsov returned to Peking to resume the talks on 2 January. His opposite number as leader of the Chinese delegation, Chiao Kuan-hua, failed to meet him at the airport on ostensible grounds of illness, but possibly as a sign of displeasure that the Russians had prolonged the break in the talks from one week to three. The spokesman of the Soviet Ministry of Foreign Affairs confirmed on 13 January that talks had been resumed. Other sources say the first meeting was on 5 January, when according to some unconfirmed reports the Chinese may have agreed to a Soviet proposal to form two commissions - one political and one military - to conduct the negotiations in future.
3. All the indications are that the first round of talks, which ended on 13 December 1969, made no progress towards a settlement of the border dispute, the two sides failing to agree even on how to tackle the substantive issues between them. There seems little chance of early progress in the resumed talks. The return to Moscow in January of the senior China expert in the Soviet delegation does not suggest that the Russians have great hopes of progress. Plausible rumours that Sino-Soviet trade talks begun in Moscow last June have now broken down are a further indication that things remain difficult. But a breakdown in the Peking talks seems unlikely. Both sides have reasons for avoiding if possible the sharp deterioration in relations which could follow a breakdown.
4. The impression of difficulties is reinforced above all by the renewal of public polemics. A Tass article of 30 December on political purges in China was followed by an NCNA New Year editorial next day attacking the Soviet leaders - and Brezhnev in particular by name for the first time since September - for following policies of "Fascist dictatorship" at home and "aggression and expansion" abroad. Since then each side has put out strongly worded articles and broadcasts, the quantitative advantage lying heavily with the Russians who have also resumed the sale of anti-Mao pamphlets in Soviet bookshops.
5. There is as yet no sign of a lull in this latest bout of polemics, although it has not reached the level of earlier exchanges. Nor, however, since its inception coincided with the renewal of the border talks, is there any obvious occasion for the propaganda to be suspended, as happened when the talks were originally agreed.
6. The many Soviet articles already issued have introduced no strikingly new theme, but have made a particular point of attacking China's preparations against war with the Soviet Union. Moscow broadcasts in Chinese have accused China's rulers of whipping up war hysteria quite needlessly, simply to distract attention from their own internal troubles. Disavowing any Soviet intention to attack China, Radio Moscow tries to convince the Chinese that the preparations ordered by Mao are a waste of time and effort, although it has not, so far as is known, repeated the incitement by a clandestine Soviet radio in November to

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sabotage them. Soviet propaganda for home and foreign consumption likewise denounces Mao's "war hysteria", but while discounting any immediate military threat from China, adds a warning that the Maoists' whole policy is to build the power base for a struggle to dominate the world and that they "have long been gradually gathering strength".

7. An article inspired by the Chinese in the Hong Kong Communist newspaper Ta Kung Pao on 9 January blamed Soviet bad faith for lack of progress in the border talks and implied Soviet efforts to use the threat of military superiority to force Chinese concessions. The same day the Chinese protested officially that Soviet press treatment of the U.S. Vice President's visit to Taiwan indicated Soviet collusion with America in its "two Chinas" policy.

8. This round of polemics has brought into the open the sensitivity of each side about the other's relations with the U.S.A. This is more marked in the case of the Russians, who seem to see in the resumption of U.S.-Chinese talks in Warsaw on 20 January the makings of a triangular situation which could render their Chinese problem even more intractable. Izvestia's pointed juxtaposition of a strong Tass attack on China's "war psychosis" with the news of the Chinese agreement to resume talks with the Americans was followed by a direct accusation in Za Rubezhom that Peking's renewed anti-Soviet propaganda was "preparing the ground for new advances towards the imperialist circles of the United States". The Soviet Radio Peace and Progress drew Chinese listeners' attention to recent American approaches and the renewal of contacts in Warsaw, saw a connection between these developments and Peking's "hysterically calling for a great war with the Soviet Union", and endorsed the American Communist leader Gus Hall's statement of last June that the U.S. purpose was to exploit the worsening in Sino-Soviet relations for anti-Soviet purposes.

9. The Chinese, for their part, continue their customary attacks on alleged Soviet collusion with the Americans against China. They have also shown some concern to balance their own agreement to renew contacts in Warsaw by publishing a series of articles criticising the U.S.A. on the eve of the resumption. Despite these articles, there is little doubt that the Chinese see the talks as a chance to strengthen their bargaining position vis-a-vis the Russians, to reduce their own diplomatic isolation and to sound out the Americans on current developments in their thinking about Asia as a whole and Taiwan in particular.

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18. Soviet pressure on Cuba, together with the failure of Che Guevara's guerrillas in 1967 and Fidel Castro's growing preoccupation with domestic economic problems, has led to a muting of the ideological quarrel between the orthodox Communist Parties pursuing united front tactics and the fidelists advocates of armed revolution. But Soviet broadcasts daily inciting the Haitians to armed insurrection and Soviet propaganda endorsement of the Colombian Communists' determination to adopt "all forms of struggle" indicate the Soviet wish to keep all possible doors of entry at least ajar.

8-10 Czechoslovak Party...
9-11 Czechoslovak...
10-11 Chinese...
10-20 Soviet...
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CHRONOLOGY

January, 1970

- 2 Soviet Deputy Foreign Minister, Kuznetsov returns to Peking for resumption of Sino-Soviet talks.
- 3-10 UAR Minister of Economy and Foreign Trade in USSR.
- 5-9 Rumanian Minister of Foreign Trade in USSR.
- 6-10 Czechoslovak Party Secretary Lenart in USSR.
- 8-10 Czechoslovak Premier Cernik in Poland.
- 10-20 Chinese acting Minister of Foreign Trade in Albania.
- 10-20 Soviet Parliamentary Delegation led by Politburo candidate member Kunayev in UAR.
- 11 Senator Eugene McCarthy received by Kosygin.
- 12-16 Rumanian Premier Maurer in Yugoslavia.
- 12-17 Yugoslav Foreign Minister in Hungary.
- 14-15 Meeting of 28 European Communist parties in Moscow.
- 15-17 M. Alphand, Director General of Quai d'Orsay, in Soviet Union.
- 18-22 Netherlands Foreign Minister Luns in Bulgaria.
- 19 Press Conference by Ulbricht on German affairs.
- 20 Sino-American Ambassadorial talks resume in Warsaw.
- 21-28 Delays to civilian road traffic between Berlin and the Federal Republic.
- 22-25 Polish Minister of Foreign Trade in West Germany.
- 22 Federal Chancellor Brandt writes to Stoph.
- 22-26 Nasser reportedly visited USSR.
- 25 Dubcek arrives in Turkey to take up his Ambassadorial appointment.
- 25 Start of Tito's African tour.
- 26-27 Warsaw Pact Deputy Foreign Ministers meet in Sofia to discuss European security.

/ 26-28 Grechko

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- 26-28 Grechko in East Germany.
- 27-30 Hungarian leaders Kadar and Fock in East Germany.
- 28-30 Plenum of Central Committee of Czechoslovak
C.P. Leadership changes.

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COMMUNIST POLICY AND TACTICS

MARCH 1970

SUMMARY

The Erfurt Talks and East German Foreign Policy

Before the Erfurt meeting there were divided counsels within the East German leadership on the wisdom of entering into a dialogue with West Germany. The hard-liners would have preferred there to be no talks; that the meeting did occur may be partly due to Soviet pressure. The East Germans may also have calculated that useful concessions might be extracted from the Federal Republic, and that the possibility of obtaining these outweighed the danger of negotiating with Bonn. Such attitudes indicate that the self-confidence of the regime has increased. Stoph's opening statement on 19 March differed little from earlier East German declarations; he demanded full recognition of the GDR in international law. The seven points he put forward for discussion had already been given in essence in the draft treaty. There was a certain hardening, of the East's attitude since Stoph included a demand for compensation for the "economic war" waged by the Federal Republic against the GDR. Both sides expressed satisfaction with the talks. Although little was achieved in terms of foreign policy, the Erfurt meeting had considerable impact on the East German public. Large crowds demonstrated in favour of Brandt. "Neues Deutschland" also published the latter's speech. The next meeting takes place in Kassel on 21 May. It seems unlikely that an impasse can be avoided so long as Stoph insists on full recognition.

Soviet leadership

2. There have been reports of splits in the Soviet leadership, although there is no hard evidence for them. It seems likely, however, that there is dissatisfaction with the leadership's performance in economic and foreign policy. There may be changes, possibly to be announced at the time of the Party Congress.

Rumanian Foreign Policy

3. Rumania continues to take an independent line within the Warsaw Pact and has recently proposed that a meeting should be held to discuss the preparation of a European security conference. Rumania has also made proposals on disarmament which emphasise a desire to follow an independent line. Soviet efforts to persuade Rumania to conform more closely with Soviet policies are likely to continue.

Finnish Diet Elections

4. In the elections held on 15-16 March the Finnish Communist Party obtained the lowest number of seats since the Party was legalised in 1944.

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It entered the election weakened by disputes between the leadership and a Stanlinist faction. The latter now have 15 of the 36 seats retained by the Communists in the Diet. The present Coalition Government still holds more seats than the non-socialist Parties and by co-operating with each other the socialist parties can prevent the non-socialist parties from forming a government.

Yugoslavia/EEC

5. Yugoslavia has recently concluded a non-preferential trading agreement with the EEC. The Yugoslavs obtained better terms for their exports, which they needed in view of their deficit with the EEC. It is unlikely that Yugoslavia will enter into a more formal link with the Community in the foreseeable future.

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THE ERFURT TALKS AND EAST GERMAN FOREIGN POLICY

During the period which led up to the Erfurt meeting, and from hints during the meeting itself, it became clear that there were divided counsels within the East German leadership about the wisdom of taking up the opportunity offered by the new Federal Ostpolitik to initiate a dialogue with West Germany. Evidently the 'hardliners' would have preferred no talks to take place; their views were probably represented by Honecker's tough speech of 16 February in which he accused West Germany of preparing a third world war. That the meeting did occur was probably due in part to Soviet pressure. In their own conversations with the FRG, the Russians have seemed to desire prolonged exchanges, and they may have reasoned that a breakdown in the contacts between the Federal Republic and East Germany would make it difficult to continue their own talks.

2. Other factors too may have encouraged the East German leaders to take part in the talks. The chief of these was no doubt the calculation that it might be possible to extract useful concessions from the West German side, in particular over recognition, while not yielding anything in return. There is clearly an element in the East German leadership, possibly including Stoph himself, who regard such possibilities as outweighing the dangers of negotiating with Bonn, and who are unwilling to see the G.D.R. leave the field entirely to her Warsaw Pact allies in improving relations with the Federal Republic. Attitudes of this kind within the East German leadership suggest among other things, a notable increase in the self-confidence of the régime, as compared for example with the abortive SPD/SED contacts of 1966. This mood may be connected with the East German economic successes of recent years and with the progress they have made in securing recognition from certain non-aligned countries. A further motive may be East German awareness of the publicity advantages to be gained in taking up an apparently reasonable attitude towards negotiations, as was shown by their anxiety, in the G.D.R. communiqué of 12 March and in Ulbricht's interview with French television of 18 March, to claim credit for finding a compromise over the place of the meeting and thus enabling it to take place.

3. Even the composition of the East German delegation at Erfurt suggested that, after agreeing to the talks, the G.D.R. would make no concession of substance. The State Secretary for West German (previously All-German) Affairs, had taken part in the preliminary talks, but was not in the delegation at Erfurt: instead the presence of the Foreign Minister and his State Secretary was designed to stress the G.D.R. view that this was a negotiation between two foreign powers, and that, as Stoph put it, there was no such thing as "inner-German relations".

4. Against this background, it was not surprising that Stoph's opening statement showed no important difference from previous East German declarations. His demand then and throughout the negotiations was recognition on the basis of international law, without any counter-concessions from the G.D.R. He made it clear that only after a treaty had been negotiated embodying full recognition, on the basis of Ulbricht's draft of 17 December, would the East Germans agree to proceed to further

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negotiations. The seven points which he submitted for discussion were basically those already familiar from the draft treaty: the establishment of equal relations without discrimination; the recognition of existing frontiers; the renunciation of force; the renunciation of nuclear weapons and CBW; and application for U.N. membership by both states. He also made certain points which were not included in the draft treaty: the mutual halving of defence budgets, the "abolition of all vestiges" of the Second World War and the settling of all debts and reparations due from the FRG to East Germany. None of these points was new, but the last one in particular, though Ulbricht had referred to it first in 1965, was here for the first time put forward as an "indispensable" condition; Stoph claimed that the "economic war" waged by the Federal Republic against the G.D.R. had cost the latter over DM 100 thousand million. His attitude on this point marked a distinct hardening compared with even the position of the draft treaty; and insofar as this enormous sum is meant to represent the alleged costs to the East German economy of the thousands who fled or emigrated to the West before 1961, the claim is one which, as Brandt subsequently made clear and as Stoph must have known, is totally unacceptable to the West Germans.

5. The joint communiqué summarised what had been achieved well enough by simply enumerating the participants and stating that Stoph had accepted the Chancellor's invitation to a second meeting on 21 May in Kassel. Although both sides subsequently expressed the view that the talks had been "useful", and this was echoed in Soviet comment, the statements by Ulbricht (at Suhl on 21 March) and by Stoph to the Volkskammer only repeated unequivocally their demands for full recognition and an internationally valid treaty. The achievement of the meeting was that it took place, and that the dialogue is to continue with another meeting; this, as Brandt stressed in an interview on the eve of the talks, was all that the Federal Government hoped to achieve. From the point of view of foreign policy, the East German leadership have some reason to be satisfied: they have demonstrated their reasonableness to their allies and to the world at large by holding the talks and agreeing to continue them, while at the same time they have given nothing away and have even raised the ante.

6. However, some of the most important consequences of the Erfurt meeting were not in the field of foreign policy as such, but in the impact it made on the East German population. Despite strict security precautions, several thousand people took part in a spontaneous pro-Brandt demonstration as soon as the Chancellor arrived in Erfurt, and the effect of this was hardly lessened by the regime's attempts to put it down to a small group of provocateurs, or by the counter-demonstrations organised in favour of Stoph. It was later reported in the West German press that the Federal Government had details of between 50 and 190 people who had been arrested, and had intervened on their behalf. The publication by Neues Deutschland on 20 March of the text of Brandt's statement also seems likely to have made considerable impact within East Germany, as happened in 1966 when the SPD letters calling for improved "human contacts" were by agreement published in the East. The Erfurt demonstration was a reminder to the East German authorities of the dangers of the public reception of prominent West German politicians and of their own incomplete hold over the population and particularly of the young; they may well have strengthened the hand of those elements in the leadership who do not wish to see the

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dialogue continued after the Kassel meeting. Prospects for the latter cannot be said to be bright; it seems unlikely that an impasse can be avoided, with Stoph insisting on full recognition.

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SOVIET LEADERSHIP

There have been a number of reports, mainly from East European sources, of splits in the Soviet leadership. The most sensational of these claimed that three members of the Politburo have circulated a document for discussion in the Central Committee attacking Brezhnev and Kosygin for failures in the economic field. The three named are Suslov, a Central Committee Secretary and the Party's chief ideologist, Shelepin, at present head of the trade union organisation, and Mazurov, a First Deputy Prime Minister. The Soviet Foreign Ministry denied the existence of such a letter, and there is no hard evidence to support the rumour. (Suslov was reported to have played a role in Khrushchev's fall; Shelepin and Mazurov are two of the younger and more forceful members of the Politburo. Mazurov has continued his normal activities since the reports came out. Suslov and Shelepin like Podgorny and Kosygin have been reported ill, but have reappeared in public.)

2. Whether or not any actual document exists, the reports of dissension could well have some basis in fact. There have been signs of underlying tension in the leadership in recent months. The slow-down in the rate of economic growth, the poor performance of agriculture, and the unsatisfactory rate of technological innovation in 1969 have clearly been causing concern. Grave dissatisfaction with the state of agriculture in the RSFSR was voiced by Voronov, a member of the Politburo, in a speech on 21 March. There is probably an argument going on between those who believe that the necessary changes can be accomplished only within a highly centralised system and those who advocate more experiment with decentralisation. At the same time, the Soviet Union is facing a whole range of major external problems, in the Middle East, in Sino-Soviet relations, in policy towards West Germany, and in the approach to SALT, and there is probably disagreement over how these should be handled. There have also been personnel changes recently, in various spheres, which, though not reaching very near the top, may portend something bigger.

3. While most observers expect a display of unity in the Soviet leadership at least until the Lenin Centenary celebrations are over, the subsequent Party Congress (which may not take place until the late autumn) would provide an opportunity for the public announcement of any changes at the top. After five years of largely cautious and indecisive rule by a fairly elderly triumvirate, it would not be surprising if ambitious younger men were attempting to gather support for more dynamic policies, particularly in the domestic field. But there is no sign at present of any weakening in Brezhnev's position; rather the reverse. Changes are not unlikely but it is impossible to predict how and when they will take place.

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RUMANIAN FOREIGN POLICY

Ever since President Ceausescu's condemnation of the invasion of Czechoslovakia, followed by his refusal even to pay lip-service to the Brezhnev doctrine of limited sovereignty, the Rumanians have proved particularly unco-operative members of the Warsaw Pact. This has led inevitably to Soviet pressure to make them discard their present policy and again become fully active members of the Pact. Throughout 1969, however, the Rumanians successfully resisted any suggestion that Warsaw Pact manoeuvres should be held on their territory. Indeed they continued to call for the abolition of military blocs and to criticise military manoeuvres on or near the frontiers of other countries.

2. While resisting Warsaw Pact demands for closer co-operation on the one hand, Rumania has, on the other, continued actively to support the call for a European security conference. This interest, though it may often serve Soviet ends, is largely of Rumania's own choice. It reflects a belief that the greater the attention focussed on, and preferably resulting in, a European security conference, the more difficult it would be for the Soviet Union to interfere in Rumanian affairs. It is therefore in Rumania's interest to suggest that preparation for a conference should continue, Bucharest remains active in this field and has recently proposed that a preparatory meeting of representatives from countries concerned should be convened in Bucharest, or elsewhere, to exchange views on the concrete questions posed by the preparation of a full conference on European security.

3. The Rumanians also made specific disarmament proposals at the Committee of the Conference on Disarmament on 5 March. Their delegate put forward eight points, which included the reduction of military budgets and an international agreement not to resort to force or the threat of force and not to intervene in the internal affairs of other states, the prohibition of the establishment of new military bases and the emplacement of new nuclear weapons on foreign territory, along with the adoption of measures designed to eliminate foreign military bases. The most striking proposal, and the one which most obviously reflected Rumania's own pre-occupations and interests, was for the renunciation of military manoeuvres on the territory or near the frontiers of other states.

4. Together the European security and disarmament proposals represent Rumania's determined attempt to maintain a role on the European stage, to reinforce the impression of an independent foreign policy and to counteract any tendency towards bloc-to-bloc negotiation on major issues. As regards the first objective, Rumania probably felt anxious to supplement the discussions on Germany, Berlin and strategic arms limitation, in which Bucharest has no part to play. Disarmament and European security are good subjects to exploit in order to increase Rumanian room for manoeuvre, since the Warsaw Pact powers all claim to desire progress in these fields. The Rumanian moves may also have been designed, by attracting attention to Rumania, to reduce the effectiveness of current or potential Soviet pressures.

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5. Meanwhile Soviet efforts to persuade Rumania to conform, particularly within the Warsaw Pact, are likely to continue. The Rumanians who, not unnaturally, fear the prospect of Soviet troops entering their territory, ostensibly for manoeuvres, will resist the idea of large-scale combined exercises. They may, however, be obliged to agree to very limited manoeuvres or staff exercises. Indeed they could decide that it is in their interest to concede this much, in order to persuade the Russians to sign the Friendship Treaty, which has long awaited signature. This would help to place their bilateral relations with the USSR on a more stable basis, without forcing the Rumanian Government to depart from its popular independent line in foreign policy.

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FINNISH DIET ELECTIONS

Elections on 15-16 March converted a socialist majority of 103-97 in the Diet into a non-socialist majority of 112-86. The Social Democratic Party with 52 seats remains the largest single party in the Diet but the extreme left wing Social Democratic Union (TPSL) lost all its six seats and the Finnish People's Democratic League (SKDL), the communist electoral organisation, won 36 seats, six less than it held before the elections. This is the lowest number of seats to be obtained by the communists since the Finnish Communist Party was legalised in 1944. (It was banned in 1930). Aarne Saarinen, Chairman of the SKP, was among those who were not re-elected.

2. The Communists entered the elections after almost ten months of internal wrangling between the leadership and a Stalinist opposition faction led by Taisto Sinisalo, an SKDL deputy and a former member of the Central Committee. Saarinen had defended communist participation in the socialist-bourgeois Coalition, maintaining that the advantages of a foothold in office outweighed the temporary disadvantage of agreeing to certain Government measures, particularly in the economic sphere, that were not in line with the party's programme. Sinisalo argued that by joining the Government the party would lose its ideological purity and its identity as the leader of the Finnish working class. Saarinen had also tended to take a more independent line in the SKP's relations with the CPSU and had publicly deplored the invasion of Czechoslovakia. In retaliation Sinisalo affirmed his support for the Soviet action and at first received open encouragement from the CPSU. At the end of 1968 the Stalinists published their own newspaper, Tiedonantaja and by the time of the 15th Congress in April 1969 the party was faced with the threat of a formal split. Soviet support for the dissidents had by then been replaced by concern that a divided party would forfeit its claim to be represented in the Government, and the CPSU delegation to the Congress urged both factions to settle their differences. Sinisalo ignored this appeal and with his supporters walked out of the Congress and subsequently set up a rival "shadow" organisation. He announced that his group would put up rival candidates for the Diet elections and he rejected Saarinen's attempts to reach a compromise agreement. In October 1969 Saarinen opened the way to a measure of reconciliation by adopting a harder line on SKDL cooperation on economic issues in the Government, but it was not until an Extraordinary Congress of the party in February 1970, a month before the elections, that a formal split was averted.

3. Sinisalo agreed to withdraw the rival electoral lists in exchange for concessions from Saarinen including the appointment of Stalinists to the Central and Political Committees and the continuation of Tiedonantaja. Sinisalo was appointed to the new post of Second Vice-Chairman of the party and returned to the Central Committee from which he had been ousted in April 1969. The party therefore acquired a facade of unity in time for the elections, at the cost of buying off the Stalinists who, although still outnumbered in the leadership, are in a much stronger position than they were at the time of the 15th Congress.

4. Of the 36 SKDL deputies in the Diet 15 are Stalinists, compared with about six before the elections; this proportion is almost identical with that in the Party Central Committee. In addition, the Stalinists have been

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strengthened by Saarinen's own defeat which will tend to weaken his authority in the party and can be used by Sinisalo to justify his opposition to Saarinen's moderate line.

5. In spite of the present Stalinist strength in the party, communist participation in the Government is in line with Soviet policy and it is unlikely that the SKDL will voluntarily give up its portfolios. In a statement after the elections the Party Central Committee indicated its policy towards the formation of a new Government. It noted that the existing Socialist-led Coalition Government still held more seats in the Diet than the right wing parties, and that if they continued to work together the Socialist parties could prevent the non-socialist parties from forming the next Government. The party alleged that the growth of right-wing influence in Finland jeopardised the country's foreign policy and independence, and accused the right-wing parties of wanting to link Finland more closely to the economic and political groupings of Western Europe.

6. This was clearly an implicit reference to the proposal, now temporarily shelved, that Finland should join Denmark, Norway and Sweden in a Nordic Economic Union (Nordek). The Communists oppose Nordek on the grounds that membership would prepare the way for entry into the EEC and ultimately into its "political arm, NATO".

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YUGOSLAVIA/EEC

A non-preferential trading agreement between the EEC and Yugoslavia was concluded on 6 February. It will come into effect on 1 May. The main features are:-

- (a) Full liberalisation of trade both ways and full most favoured nation treatment on tariffs and quota restrictions for all commodities in respect of which the EEC Commission is competent to act.
- (b) A 25-point reduction in the prevailing EEC levy on baby beef (of which Yugoslavia is likely to be virtually the only supplier to the EEC).
- (c) The establishment of a mixed commission on which Yugoslavia and the EEC Commission will be represented. Bilateral trade agreements between the Six and Yugoslavia will lapse except to the extent that they deal with matters still outside the competence of the EEC Commission.

2. The Yugoslav Government has expressed considerable satisfaction at the achievement of this agreement. The beef concession is likely to be of considerable advantage, particularly in the short term, since baby beef exports to Italy were an important source of Yugoslav convertible currency earnings up to 1968, when the EEC levies forced the Yugoslavs to look for other outlets (including the London market). But the liberalisation and most favoured nation provisions are likely to prove even more significant in the long run. Yugoslav trade with the convertible currency area has been rising fast, at the expense of trade with COMECON (which in 1969 fell just below 30% of the total); taking invisibles into account, the Yugoslavs estimate that about 60% of their total trade would be conducted with an enlarged EEC. But Yugoslav trade with the EEC has been running a deficit of about \$350 m. per year, and this is only half covered by a favourable balance on invisibles. The Yugoslavs were thus under strong compulsion to seek better terms for their exports, though for political reasons it seems unlikely that they will apply for a more formal link with the EEC in the foreseeable future.

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March

- 3- 21 Bahr-Gromyko talks in Moscow.
- 6 Soviet-Botswana diplomatic relations established
- 9 - 11 Mr. Mason, President of the Board of Trade in Rumania
- 9 - 12 Norwegian Foreign Minister in Rumania
- 9 - 12 Peter, Hungarian Foreign Minister, in Poland
- 9 Polish-West German talks resumed
- 10 - 13 "Dvina" military exercises in the Soviet Union
- 12 - 15 Norwegian Foreign Minister in Sofia
- 15 Brezhnev attends military parade in Minsk
- 16 - 17 Fock, Hungarian Prime Minister, in Moscow
- 16 - 20 Zhivkov in Warsaw
- 16 Tepavac, Yugoslav Foreign Minister, leaves for tour of South East Asia
- 18 Sihanouk deposed
- 19 Brandt-Stoph meeting at Erfurt
- 19 - 30 Ortoli, French Minister of Industrial Development and Scientific Research, in Moscow
- 20 New Czechoslovak-Soviet Friendship Treaty initialled in Prague
- 21 Rudé Právo announces Dušcek's suspension from Party membership
- 23 - 26 Peter, Hungarian Foreign Minister, in Berlin
- 24 - 27 Writers' Congress in Moscow
- 24 - 30 President Podgorny in Iran
- 26 Quadripartite talks on Berlin

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