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WORKING GROUP ON SOVIET POLICY

Amendments proposed by the UK Delegation

Part II

Delete existing text of paragraphs 1, 2 and 3 and substitute the following:

1. During this period Communist publicity as a whole, and the Soviet propaganda machine in particular, have laid increasingly heavy emphasis on the theme of "peaceful co-existence". This concept appears to accord with the apparent desire of the Soviet leaders to keep international tension within manageable limits; it is also, and significantly, a reflection of Western strength. There is no reason to think that the Soviet leaders have abandoned the Leninist belief in the fundamental incompatibility between the Communist and the non-Communist worlds. Their use of the term implies a sense of hostility rather than a desire for normal international collaboration. Thus the Soviet leaders in conversation with the members of the British Parliamentary Delegation made it clear that the Soviet Government believe "peaceful co-existence" to be in no way inconsistent with the energetic prosecution of the Cold War. In any event their advocacy of "peaceful co-existence" has obvious tactical advantages. It is calculated to appeal to opinion, and especially neutralist opinion, in the West and to stimulate public pressure on the Western Governments to relax their measures to achieve security. The Soviet Government may also hope that if Western public opinion can be persuaded to believe that the Soviet aims are pacific this will serve the basic aims of Soviet policy in Europe, which remain to disrupt the Western alliance, to cause an American withdrawal, and ultimately to bring Germany and Western Europe into the Soviet system.

Redraft of paragraphs 8 and 9 to follow immediately after the above:

2. Soviet hostility towards the North Atlantic Treaty Organization has in particular remained undiminished. Successive Soviet notes have repeatedly labelled NATO as aggressive and in their Note of July 24th about European Security the Soviet Government made it clear that in their view membership in NATO in its present form was incompatible with participation in their proposed European collective security system, an admission which Molotov had been noticeably loth to make at the Berlin conference.

3. The primary Soviet objective during this period has been to prevent the incorporation of West Germany into the Western defensive system. The Soviet Government have not, however, been able to propose any acceptable basis for agreement on German unification as the alternative to West German rearmaments. Before the rejection of the European Defence Community Treaty by the French Assembly, and even after the signature of the Paris Agreements, their attitude has been equally barren. Neither the Soviet Note of October 23rd nor that of November 13th represent any advance on their previous position. That of October 23rd has nothing new to offer towards a solution of the German and Austrian questions whilst that of November 13th merely repeats Molotov's well-thumbed proposals on European Security. The Soviet Government will doubtless persist in their attempts to prevent or postpone the ratification of the Paris Agreements, playing on Western fears of a rearmed Germany, on the German desire for re-unification, and dangling the bait of the possibility of Soviet acceptance of the Western position on disarmament. If these attempts fail the Soviet Government will almost certainly be prepared in the last resort to live with the fact of a re-armed Western Germany incorporated into the Western defensive grouping (as they have done with NATO) and to hold general discussions with the Western Powers after this

has been accomplished. There are already indications that, in anticipation of this, the Soviet Government may be proposing to establish a more formal grouping of the Communist Powers in Europe to supplement or replace the present system of inter-locking bilateral Pacts between the Soviet Union and the various Satellites. The establishment of a system of this nature would not reinforce the power or effectiveness of the Soviet bloc but it would provide for the formal incorporation of East Germany into the Communist military grouping. Its inauguration might also serve to offset, at least to some extent, the effects of the serious reverse which the ratification of the Paris Agreements will represent to the Soviet Union.

4. The inability of the Soviet Government to put forward proposals on Germany which would be acceptable to the Western Powers has been due to the fact that any such proposal would necessarily involve the weakening of the Soviet grip on Eastern Germany. This, as the farce of the East German elections on October 7th (described by Ulbricht as a model for free all-German elections) showed, the Soviet Government are not prepared to contemplate. The Soviet Government have as a result concentrated, not unsuccessfully, on building up the position and prestige of the Pankow Government. Towards Austria Soviet policy has likewise remained frozen and it has been made plain that Soviet agreement to withdraw their troops from Austria, and to conclude an Austrian Treaty, will remain conditional upon the prior conclusion of a German settlement.

Redraft of paragraphs 7, 12 & 13 to follow immediately after:

5. Although, therefore, there has been no evidence of any change of Soviet policy on the major European problems, the Soviet Union has continued to modify the crudeness which characterised its international behaviour during Stalin's era. In certain instances Soviet behaviour has been markedly more forthcoming and cordial. Conciliatory gestures have been made towards countries hitherto depicted as the arch-enemies of Communism (Greece and Turkey). Some prisoners of war and political prisoners have been released by the Communist bloc countries. Soviet naval units have exchanged courtesy visits with Sweden and Finland. The Soviet Government have made minor concessions to various countries, a Baltic Sea-Rescue Agreement being concluded with Sweden, Scandinavian fishermen being permitted to benefit from a greater flexibility in the application of the Soviet 12-mile limit in the Baltic, and the Anglo-Soviet Fisheries Agreement being extended for a further year. The Soviet Union and the Satellites have entered, or resumed, participation in a number of international organizations (International Labour Organization, Unesco etc.) and there has been an accompanying change in the policies of non-governmental international organizations which are under Communist control (e.g. the International Union of Students). Above all the intensity of the Soviet Cultural offensive has been sharply stepped up. There has been a marked increase in cultural, sporting and other exchanges between the Soviet Union and Europe and British and Finnish Parliamentary Delegations have been received in the Soviet Union. The Soviet Government have endeavoured to extract the maximum propaganda advantages from the majority of these exchanges and to ensure that the kudos for arranging them accrues to local communist or "front" organizations.

6. It can be expected that this policy of "normalising" relations with the non-Communist countries of Europe will continue and be expanded. It coincides with the Soviet leader's evident desire to present the Soviet Union to the outside world in a more normal guise and serves as a tactical accompaniment to the theme of "peaceful co-existence". Above all this policy, involving in the most part very minor concessions, has the merit of cheapness. These are the broad aims which this more flexible policy in minor matters serves. In certain instances the design appears more specific. For example the policy of ostentatious friendliness towards the United Kingdom is clearly designed to accentuate Anglo-American divergences. The more cordial attitude towards Greece and Turkey for its part is a reflection of the failure of the policy of intimidation pursued under Stalin.

Redraft of paragraphs 10, 11 & part 13:

7. The more forthcoming attitude which the Soviet Government have lately adopted towards two European countries on the periphery of the Soviet bloc is of particular significance.

- (a) Finland The Soviet Government have taken steps to strengthen their position, economically, politically and militarily, in Finland. These moves (the Finno-Soviet Trade Treaty of July 17, with its accompanying political pressures, and Soviet overtures for closer military collaboration), coupled with the renewed injunction to Finland not to join the Nordic Council, are designed to ensure that Soviet and not Western influence should predominate in Finland. The Soviet Government may be expected to pursue and possibly to intensify this policy and, although any direct Soviet threat to Finnish political independence is improbable, the Soviet leaders doubtless hope to entice Dr. Kekkonen's Government into closer relations with the Communist bloc.
- (b) Yugoslavia During this period the Soviet Government have taken a series of measures designed to improve Soviet-Yugoslav Relations. It is significant how the signature of the Balkan Pact did not deter them from pursuing this policy. Propaganda attacks against Tito have been called off; the part played by the Yugoslav partisans has been praised; a Soviet-Yugoslav barter agreement has been concluded and the Soviet Government have proposed full scale Trade negotiations between the two countries. It seems probable that the Soviet Government's decision to accept the Trieste settlement was primarily

dictated by their desire to further the détente in Soviet-Yugoslav relations. This change of policy towards Yugoslavia involves some sacrifice for the Soviet Union, since the acceptance of the Trieste settlement entailed pulling the rug from under the feet of the Italian Communist party. Saburov's references to Yugoslavia in his speech on the 37th Anniversary of the October Revolution, moreover, came very near to an explicit repudiation of the policies pursued toward that country under Stalin. However, even if the Soviet Government are successful in achieving a partial rapprochement, there seems little reason to believe that Yugoslavia can be reabsorbed into the Soviet bloc, at least as long as Tito remains at the helm.

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Redraft of paragraph 4 to follow immediately thereafter:

8. As part of their effort to lend a semblance of concrete meaning to "peaceful co-existence" both the Soviet Union and China have continued to dangle the carrot of greatly expanded East-West trade before Western opinion and the Soviet Union has displayed increasing activity in regional and international economic organizations. There has been a modest expansion in Soviet trade with the free world over the low levels achieved in 1953 and the Soviet Government may consider it desirable on economic grounds further to expand such trade. But the self-sufficiency of the Communist bloc remains a basic Soviet aim and there is no concrete evidence to suggest that the Soviet Government are willing or able to furnish exports on a scale sufficient to provide for any really substantial increase in Soviet imports from the West. Meanwhile they will continue to extract the maximum political advantage from Soviet trade with the free countries and to exploit the strategic controls issue for propaganda ends and as an explanation of the existing low level of East/West trade.

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Redraft to follow general paragraph on Asia (paragraph 14):

The reality of the Sino-Soviet Relationship remains hidden. The series of Agreements which were announced on 12th October, however, contained appreciable Soviet concessions to China and was designed to demonstrate China's position as an equal partner in the Sino-Soviet Alliance. The negotiation of these Agreements in Peking by a large Soviet Delegation headed by Khrushchev was in itself significant. The Soviet leaders appear sensitive towards their relationship with Peking and they may well consider it necessary in order to maintain the cohesion of the Alliance and in view of China's enhanced power and prestige, to treat the Chinese Communist leaders with due respect. But they may also calculate that the raising of China's status will add to her power to attract other Asian states into the Communist orbit. Nevertheless, the Soviet Government have shown no tendency to surrender the initiative on Asian affairs to Communist China, save perhaps in Indo-China.

Draft text of suggested new paragraph to follow the above:

The policies of the Soviet and Chinese Delegations at the Geneva Conference were well co-ordinated and, although Molotov throughout showed flexibility on procedural matters, the Chinese clearly played a leading rôle in the formulation of policy, particularly in the closing stages of the Conference. The considerations which led the Communist side to agree to settlement on Indo-China were various. In the first place, there was the fear that the prolongation of the contract would lead to United States intervention and to the possible extension of hostilities to the mainland of China. The Communists may also have calculated that an intransigent attitude on their part would antagonise free Asian opinion and increase their apprehensions of Chinese policy. On the other hand, a show of conciliation was likely to accentuate differences between the United States and her allies. Finally, the Communists undoubtedly hope through political means to acquire control over Indo-China without the risk or burden of war, as a stepping stone towards the further expansion of Communist influence over the free countries of South East Asia. Thus, since Geneva, the Viet Minh have in general displayed a willingness to observe the forms of the Armistice Agreement, particularly in Vietnam and Cambodia. In Laos, however, the Royal Laotian Government have so far failed to re-establish their administration in the North East provinces of Phong Saly and Sam Neue, which are still under Vietminh occupation. Although the Viet Minh regular Army is being rapidly expanded (by the incorporation of irregulars into regular units), this is probably more with a view to overriding opinion in South Vietnam and Laos and Cambodia than as a prelude to further

military aggression. In any event, the political and administrative difficulties with which the Governments of South Vietnam and Laos and Cambodia are faced afford scope for Communist political infiltration and subversion.

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Draft Text of suggested paragraphs on Soviet Internal Affairs
(Paragraph 20):

Since April no serious internal threat to the stability and cohesion of the régime had shown itself and the Soviet leaders seem, if anything, to have settled more confidently into the saddle. Both the Armed Forces and the Security Services appear firmly subordinated to the Party and the Government. During this period the tendency to accord a more prominent public rôle to the Armed Forces has not been developed. In April a process of Ministerial reorganization was completed, probably for reasons of administrative efficiency. Its broad effect of which was to consummate the reversion to the administrative structure which existed before Stalin's death; in particular the MVD has been divested of some of its security functions and a Committee of State Security established, whose responsibility appears similar to that of the former Ministry of the same name.

Within the Kremlin itself all seems harmonious enough and the principle of collective leadership has been carefully projected to the outside world. Indeed the adoption of the practice of listing the names of the Party leaders in alphabetical instead of the hierarchical order, together with the public behaviour of the leaders themselves, has given greater public emphasis to this principle. Throughout this period Malenkov and Khrushchev have increasingly emerged as the two dominant personalities in the Soviet Union, and there have been no developments which clearly suggest an active or latent struggle for power between the two men. Malenkov appears the more intelligent and Khrushchev the more ebullient of the two. In his public speeches and in private conversation to Western representatives the latter has been noticeably sharper in his references to the Western Powers.

The psychological climate within the Soviet Union is still somewhat easier than in Stalin's era and is reflected in the rather freer conduct of Soviet citizens at home and abroad. The Government continue to show a desire to modify somewhat the harsher excesses of the Stalin régime. But there has been no departure from Marxist-Leninist orthodoxy. Indeed in recent months the régime have shown some tendency to tighten the ideological reins developing a sustained anti-religious campaign. Moreover, a number of writers and artists, who were showing an inclination to stray too far from the narrow paths of orthodoxy, have been taken to task and the second Congress of Soviet writers is being held under the banner of Soviet realism. In general in question of doctrine and ideology the present Soviet leaders appear to be following a course somewhere between the extreme rigidity of the Stalin era and the partial relaxation which followed his death,

The attention of both the Party and the Government have remained focussed on agriculture, which constitutes the most intractable internal problem with which the régime is faced. The policy, with which Khrushchev is closely identified, of ploughing up vast tracts of virgin or fallow land, mainly in Kazakhstan and Western Siberia, appears to have met with initial success as the result of a considerable diversion of resources, both human and material, to these regions. Small numbers of demobilised servicemen are being added to the flow of migrants. By early August it was claimed that nearly 35 million acres of these lands had been ploughed as compared with a target of nearly 32 million acres and the targets for next year have been more than doubled. Only a relatively small area of the newly broken land was sown this year but there were great administrative difficulties in bringing in the harvest on it. In the end it was only enough to compensate for the severe crop losses in the Ukraine caused by drought. As a result

Saburov was only able to claim in his speech on the 37th anniversary of the October Revolution that the total grain harvest was "somewhat" (this presumably means negligibly) above that of 1953, which itself was a moderate year for Soviet agriculture. Moreover while the livestock position has improved it is still far from satisfactory. Agriculture is clearly to remain a matter of the most serious concern for some time to come.

Rather less public emphasis has been placed on the programme to which the Government are publicly committed of bringing about "a sharp upsurge" in the availability of consumer goods to the individual Soviet citizen. But there is no reason to believe that this programme has been radically modified. The figures given by Saburov in his Anniversary speech showed sharp rises in the production of certain categories of those goods. More significantly, as an indication that the present trend of economic policy may continue, the figures in capital investment given in the half-yearly report on the 1954 Plan illustrates the proposed expansion of the consumer goods industries. In any event, however, as Saburov made it clear in his speech, the Soviet Government will continue to accord overriding priority to the further and intensive development of heavy industry. On the whole they can be well satisfied with the rate at which Soviet industrial production is growing.

Draft text of suggested paragraph on Soviet Military Position
(Paragraph 19):

It is equally clear that the Soviet leaders have no intention of starving the Armed Forces. The 1954 budget showed a reduction of 9% in the published allocation for defence expenditure. But expenditure on a number of vital military items, including nuclear development, is concealed elsewhere in the budget. There is every reason to suppose that the Soviet Government are investing intense efforts, and very considerable resources, in the development and production of nuclear weapons and of the means of delivering them (including the guided missile). Moreover the reduction in open military expenditure may not involve any reduction in the rate at which the Soviet Armed Forces are being re-equipped with up-to-date weapons of a conventional type. It is possible that the decrease in revealed expenditure may be entirely attributable to a cut in expenditure on ammunition, consequent upon the end of active hostilities in the Far East. In any event the Soviet Government are continuing to maintain the Red Army at its high level and to devote great efforts to the rapid build-up of a long-range strategic Air Force and a powerful ocean-going submarine fleet.

Draft text of suggested paragraph on the Satellites (Paragraph 21):

There has been no loosening of the Soviet grip on the Satellites, although the Soviet Government have shown themselves more flexible in their dealings with the Satellites and appear anxious to render the fact of Soviet control more palatable to them. A recent example was the announcement of their intention to surrender their shares in the majority of the Joint Companies in Roumania, Bulgaria and Hungary. However the Soviet Government have been careful not to surrender their share in certain key companies in Roumania and Bulgaria and the requirement on the Satellites to pay compensation robs the bargain of much of its attraction for the Satellites. But there is no evidence that the effective hold which the Soviet Government exercise over the Satellites, as a result of their remaining network of controls, has been relaxed. Moreover the process of economic integration may be carried a step further by the projected co-ordination, for the period 1956-60, of the timing of the 5-year Plan of all the Satellites except Bulgaria with that of the Soviet Union.