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TRENDS AND IMPLICATIONS OF SOVIET POLICY

Report by the Expert Working Group⁽¹⁾

I. INTRA-BLOC RELATIONS

The principal event in the Communist world during the last few months has been the meeting of the XXIInd Congress of the Communist Party of the USSR, held in October. Its main task was to approve the new constitution of the Party and especially its new programme, which defines the stages of the transition to communism. These documents were the subject of exhaustive comments by the delegates, but contrary to expectations, did not constitute the core of the discussions which consisted mainly in attacks on Stalin, the anti-party group, the leaders of the Albanian Workers' Party and, indirectly, China. Actually, these four questions are closely linked. By extending the de-stalinisation campaign beyond the confines of the USSR and using the Albanian régime as a target, Khrushchev appears determined firmly to establish his own policy and leadership for the entire world communist movement.

2. The formal condemnation of Stalin was the logical outcome of the policy initiated by Khrushchev at the XXth Congress. However, whereas in February, 1956, it was in a secret report that the First Secretary of the Party denounced the evils of the cult of the personality, on this occasion publicity was given to the denunciation of some of Stalin's errors and crimes. There was also more "punch" behind it, since its endorsement by the Congress took the form of the decision to remove the dictator's body from the Mausoleum.

(1) This report was originally drawn up on 10th November by the ~~Expert Working Group on Eastern Europe and the~~ *Soviet Experts* ~~Soviet-occupied Zone of Germany.~~ It was reviewed by the Committee of Political Advisers on 30th November. Accordingly, it does not take into account any developments subsequent to the latter date.

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3. The anti-party group, already denounced at the XXIst Congress (January, 1959), has been once more attacked, this time much more violently, although its members had been treated as "political corpses" since 1959. Molotov is the target of the most numerous and most bitter attacks: he is described as the "ideological inspirer" of the group, although the latter is by no means homogeneous; he is accused of continuing activities hostile to Khrushchev's policy because, in October, he had addressed another letter to the Central Committee in which he claimed that the new programme of the Party was "pacifist" "revisionist" and "anti-revolutionary in spirit". The reasons for this unexpected campaign are not clear. It may be asked whether it was not motivated by the existence within the Party of an opposition which jeopardises Khrushchev's position. There are, however, definitely no signs pointing to the existence of an organized opposition.

4. Nevertheless, it is certain that the present First Secretary does not hold undisputed authority, as did Stalin, and that criticism is levelled at certain points of his policy, particularly by the conservative ("dogmatic") elements in the Party. In attacking both the anti-party group and Stalin, Khrushchev's aim seems to have been to forewarn any possible adversaries. The open criticism of the Albanian leaders (and, by implication of the Chinese Communists) will also be interpreted in Party circles as serving notice on doctrinaire elements to fall in line or be suspected of serving alien interests.

5. Although the significance of the dropping from the Praesidium of several of its members is not clear, Khrushchev remains the strongest single figure in the Soviet régime after the renewal of the leadership of the Party by the Congress. As regards Kozlov, he now indubitably comes second in the Party chain of command.

6. The violent attacks launched by Khrushchev and most of the communist delegates and leaders against the Albanian Party are closely linked with the criticism of Stalin and of the anti-party group, since the Albanian party is blamed for continuing, even today, to apply the methods current during the personality cult period and for being guilty of "fractionism" within the communist movement. The Albanian leadership was openly denounced in such unequivocal terms that a complete severance of party ties between Albania and the rest of the Soviet bloc and Albania's exclusion from Soviet bloc councils seems now inevitable, if the present Albanian leadership remains in power. As Mikoyan put it in his speech of 20th October, Albania can have Soviet friendship only by a rejection of the path now followed by the Albanian leaders; "only thus, and not in any other way".

7. While Albania has been so far the only specific public target, the Soviet pressures are intended, if as yet indirectly, to exert pressure on the Chinese Communist leaders to renounce

their opposition to Soviet views and leadership of the bloc. Sino-Albanian joint opposition to Khrushchev's XXth Congress line on foreign policy is already a matter of public record. The Soviet charges levelled against Albania thus apply with equal force to Communist China, whose opposition is undoubtedly a matter of much greater concern to Moscow than that of tiny Albania. The Chinese Communists have rebuked the Soviet leaders for publicly denouncing Albania, and evidence a readiness to continue to support the latter against Moscow's pressures. Sino-Soviet relations are thus once again confronted with a strain of great proportions.

8. The Sino-Soviet quarrel has been brought into the open and it has become obvious that the efforts at compromise made at the Conference of the 81 Parties have not been crowned with success. This must not, however, be taken to mean that in the foreseeable future, there is likely to be an open break between the USSR and China of which advantage could be taken in the policy of the West, for the desire for unity felt by both Parties is almost certain to prevail over their divergencies regarding the best way to reach their common goal.

9. The XXIInd Congress confirms the impression given by the Moscow Conference of November, 1960, i.e. that although the authority of the Communist Party of the USSR is still predominant it no longer goes unchallenged inside the international communist movement. The Asian Parties of the "socialist camp", with the exception of the Mongol Party, refrained at the Congress from unreservedly endorsing Khrushchev's line. The Albanian Party is openly defying him. The dispute has already aggravated and deepened the strains existing in the bloc. The outcome of the struggle will have a determining influence on the primacy of the USSR in the communist world.

10. Furthermore, "fractionism" is causing trouble inside the communist parties, some of which already have a pro-Peking wing. This is a significant development, but it does not prevent the international communist movement from remaining fundamentally united in its struggle against the free world.

II. EXTERNAL POLICY

General

11. Congresses of the CPSU traditionally serve as a forum for enunciating general guidelines which shape Soviet foreign policy for some time to come, and the XXInd Congress in Moscow has been no exception.

12. It strongly reaffirmed the correctness of the XXth Congress line and, with certain modifications, set forth that same foreign policy strategy for the future. The strategy is that of "peaceful coexistence", i.e. an intense struggle against the non-communist world by political, economic and ideological means, limited only by the need to refrain from actions which carry serious risks of a world war.

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13. Despite the fact that Khrushchev is apparently following a policy of "destalinisation", at least in the domestic field, there is little hope of seeing him apply a real policy of détente in the external field. Even though his concept of "peaceful co-existence" gives the impression of differing from that of his "dogmatic" opponents in that it lays greater stress on the comparatively durable character of coexistence, the immeasurable dangers of a nuclear war, the importance of negotiations and the value of personal contacts with the West, it is nevertheless based on the conviction that the present period of history is characterised by a ruthless struggle between two systems and that communism will inevitably emerge triumphant. Consequently, although the "Khrushchev line" might appear prospectively more promising than the "dogmatic line", the West cannot hope that Khrushchev will make concessions on essentials and must be prepared for a long and difficult struggle in all fields.

14. No matter what tactical line the USSR pursues in the wake of the XXIInd Congress, it will not abandon any of its basic objectives in the free world and will persist in pressure tactics, returning to relaxing the tension temporarily or locally if the situation becomes too dangerous.

Germany and Berlin

15. The Soviet Union is using the tactically exposed Western position in Berlin as a lever to obtain Western recognition of the permanence of the division of Germany and thereby to consolidate Soviet hegemony in Eastern Europe.

16. At the same time, the USSR is pursuing a German policy whose ultimate goals involve more than the consolidation of the East German régime. This policy, which reflects Khrushchev's dynamic personality and his optimism as regards the trend with respect to the ratio of forces, aims at gradually alienating the Federal Republic from the Western Alliance by shaking the German people's confidence in the value of that Alliance.

17. At the Congress, Khrushchev lifted, conditionally, the so-called deadline for a treaty by the end of 1961. This step may have been a normal progression of Soviet negotiating tactics in the wake of the West's preliminary soundings of the Soviet negotiating position. The initial discussions may have led the USSR to believe that it could expect to gain substantial advantages from negotiation with the West. However, assuming a basic Soviet desire to avoid a nuclear war, Western military preparedness measures, linked possibly with a perception by the Soviets that they and the West seemed to be on a collision course, must also have weighed in the decision.

18. In any event, the USSR will not relent in pressing the issues of Berlin and Germany: the finger is still on the trigger since Moscow had made it quite clear that this fresh respite was strictly conditional on proof by the Western powers of their willingness to reach an early settlement. Recent developments

provide clear evidence that the USSR's preferred course is to obtain a negotiated settlement prior to the conclusion of a possible separate treaty. If, as Khrushchev stated, "the Western powers show readiness to settle the German problem", Moscow would defer action on a separate treaty beyond the end of the year and would be quiescent regarding the separate treaty threat. If a negotiated settlement were achieved, Moscow is still likely to conclude a separate treaty with the "DDR" which would reflect but would not in fact go beyond the settlement previously reached.

19. If, however, there is no movement in or toward negotiations before the year's end, it is to be expected that the Soviets will make fresh moves, either signing the Treaty, or taking measures in Berlin or along the approaches to Berlin which, in anticipation of the consequences of a treaty, would serve the same purpose of inducing the Allies to negotiate but in an atmosphere of increasing tension.

20. The USSR started with a maximum demand for a "two Germanies" peace treaty and West Berlin "Free City" on that basis. Subsequently Gromyko took up a position calling for a separate agreement on a new status for West Berlin along the lines of the "Free City" proposal (plus non-transfer of nuclear weapons to the two "Germanies"; recognition of zonal demarcation lines and the Oder-Neisse, and respect for the sovereignty of the "DDR"), and abolition of the constitutional links between West Berlin and the Federal Republic, without giving any clear indication regarding future arrangements for access. This gambit may well have been aimed high for negotiating purposes and may prove amenable to further modifications.

21. Whatever may emerge from further informal talks, the USSR's final terms for a Berlin settlement cannot be assessed even approximately until it is engaged in formal negotiations. A wide range of possibilities exists, too numerous to list in this paper. In any event the Soviet Government have no need to decide on any particular line of tactics until they have further ascertained the attitude and intentions of the West.

The Situation in Northern Europe

22. Evaluation of the objectives and implications of the active policy pursued in this area by the USSR recently can presumably best be made at the stage at which this Report is considered by Ministers. On the 31st August, 1961, the Danish Government received a Soviet note, which has not been published, and which contained warnings to Denmark of the danger inherent in the creation of a NATO Baltic Command. A copy of the note was also handed to the Norwegian Government, accompanied by similar warnings. Following the 30th October note to Finland, the Soviet Government indicated during the Khrushchev/Kekkonen talks of 24th November that it would not, for the present, insist on military consultations under Article 2 of the 1948 Soviet-Finnish Treaty. At the same time, Khrushchev publicly related the Soviet démarche to the creation of a NATO Baltic Command, and to the policies followed by Norway and Denmark.

Pressure exerted by the USSR in the Balkans

23. Deterioration is apparent in the relations between the USSR and most of the satellites, on the one hand, and Greece, on the other. In Bulgaria, a number of hostile demonstrations have been directed against Greece. Soviet and Bulgarian protests were made to Athens regarding exercise "Checkmate II". Similar though slighter pressure was brought to bear on Turkey. The main reason for this attitude is that Greece and Turkey are members of NATO.

24. All the developments described in paragraphs 22 and 23 afford evidence of the great interest taken by Moscow in the Balkans and the Baltic and, conversely, of the importance of these areas for the defence of the West.

III. SOVIET POLICY TOWARDS THE UNDERDEVELOPED AREAS

25. It is clear from the Party Programme and from the Congress that the Soviet Government remain faithful to their belief that the underdeveloped areas offer the most promising field for expanding communist influence and sapping Western strength. In these areas we must expect the Soviet leaders to pursue their objectives vigorously and to exploit any targets of opportunity that may occur. They have promised both moral and material support to anti-Western struggles, and "wars of national liberation" and have increasingly expressed confidence that growing bloc strength can be used as a protective umbrella for such struggles, to deter the West from intervention or, as they have put it, to prevent the "export of counter-revolution".

26. Neutralism remains an important factor in determining the Soviet approach to non-communist governments, and Moscow will continue to seek close co-operation with such governments even when the latter are in conflict with local communist forces. At the same time there are signs that the Soviet attitude towards the underdeveloped countries, and towards the neutrals generally, is becoming more critical and also more ruthless. In this field, the present line is closer to the militant line of the declaration of the 81 Parties than to the comparatively flexible line of the XXth Congress.

27. This is the consequence of many factors, notably the increasing divergence between Communist and nationalist interests in such countries as India and Egypt; the diminishing political returns obtainable in some countries from the still increasing foreign aid programme; the opening of more favourable opportunities in Africa and Latin America; pressure from within the bloc for more active support for extremists; and probably the Soviet belief that neutrals can be influenced at least as much by power and pressure as by aid and advice.

28. As a consequence of this general attitude, the Soviet Government may adopt an increasingly selective approach to the new countries of Asia and Africa. For example, without prejudice to their existing aid programmes they may increase their political overtures and economic assistance to those governments which are, internationally, less neutral and more pro-Soviet, and, domestically, more ready to tolerate local communist parties and to carry out sweeping measures of nationalisation and socialisation. The appearance of delegates of the ruling parties of Ghana, Guinea and Mali at the Party Congress is an indication of this trend. The Soviets may also give more active support to local communist parties in the hope of influencing both the domestic and foreign policies of the governments concerned.

Economic Penetration in the Less-Developed Countries

29. Although the aid extended by the Sino-Soviet bloc to the underdeveloped countries represents only a fraction of the economic aid and an investment flowing from the various free world sources, this has not prevented the Soviet bloc from deriving comparatively more propaganda advantages from its relatively modest aid programmes than the free world.

30. The diminution in the rate of extension of credits does not necessarily indicate any change in Soviet foreign aid policy. It can be accounted for by the fact that the very large credits extended before the middle of 1960, such as that to India for the third Five-Year Plan, were meant for use over a number of years. For the most part, they have not been drawn upon and it is, therefore, unnecessary for the USSR to extend still more credits to the recipient countries. In addition, although the volume of credits extended seems to have diminished, the amount of bloc activity in the aid field has not, small credits having been extended to many countries. Moreover, there has been an impressive growth in the number of Sino-Soviet bloc technicians, experts and workers in various parts of the world. (End of 1960: 6,400; June, 1961: 8,200.) It should also be noted that before the end of 1961 a credit, possibly as large as \$300,000,000, may be extended to Afghanistan. This would change the picture radically.

31. The newly independent African countries have attracted special attention from the Sino-Soviet bloc. In some cases they have expanded rapidly their trade relations with the Sino-Soviet bloc and an increasing number are accepting aid, some of them even military assistance. Most of the African target countries which have been selected for Sino-Soviet bloc economic penetration are of a size and at a level of economic development where even small amounts of aid may have a disproportionate economic and political impact.

32. During the first half of 1961 a new substantial credit has been extended to Cuba and the Sino-Soviet bloc has generally consolidated its earlier gains there.

Laos and South Vietnam

33. Within the context of the long-term objective of the continuance of the expansion of Communism in the Indo-Chinese peninsula, determination of communist policy is complicated because of the large rôle played by China and the native communist forces. On the whole, Moscow seems to prefer a less aggressive approach than that favoured by the Asian communists, though this does not necessarily imply that the latter are pressing to enlarge the scale of hostilities.

34. In Laos the Soviets appear for the moment to have the upper hand in formulating bloc policies; and the heightened interest in achieving a Laotian settlement which they have recently demonstrated at Geneva may have been motivated by anticipation of sharp disagreements with the Chinese communists. Moscow's apparent aim at present is to consolidate gains won but otherwise stabilise the situation through formation of a national front government composed predominantly of neutralist leaders but with significant Pathet Lao representation. Moscow is probably willing to tolerate a certain degree of international inspection provided it does not seriously threaten the Pathet Lao control already established in Laos or hamper further expansion of Pathet Lao influence. However, the outcome of the negotiations may largely depend on events in Vietnam.

35. While there may be some differences between the Soviet Union and China on the scale of communist military operations in South Vietnam, it is doubtful whether either would wish to see them reach a point which might involve the risk of Western intervention. The Russians are committed publicly to the support of the 'national liberation movement' in South Vietnam (i.e. the communist insurgency) but both they and the North Vietnamese have taken care to maintain the fiction that the struggle in the South has nothing to do with them. They probably believe that the Diem régime may fall soon and be replaced by a neutralist government, which would be the first step towards re-unification on their terms.

IV. DISARMAMENT AND THE UNITED NATIONS

36. In the field of disarmament, the only progress which can be recorded is the agreement on principles reached by Mr. Zorin and Mr. MacCloy, as a result of United States-Soviet bilateral talks. But this agreement has very little significance. While general and complete disarmament remained the stated goal of Soviet disarmament policy, the treatment of disarmament at the Party Congress was perfunctory. Increasing emphasis on partial measures can, however, be expected. In particular the Soviet Union is likely to stress its "European security" proposals. If tension over Berlin subsides the USSR may once more resort to announcing unilateral reductions of military personnel levels - at least the discharge from service of the troops retained temporarily - calling upon the West to match their initiative.

37. As regards nuclear tests, the Soviet aide-memoire handed to President Kennedy at Vienna linked this question with an agreement on disarmament on terms which excluded the possibility of any arrangement for the time being. It seems evident that the Soviet Government had at some point decided that the price to be paid in terms of control for a test ban agreement was too high for the benefits which they expected to derive from it. The resumption of nuclear tests by the USSR is the practical expression of this stubbornly negative attitude. The reasons which may have induced the Soviet Union to resume nuclear tests seem to be the following:

- (a) military and scientific considerations;
- (b) the desire to intimidate the West and, to a certain extent, the neutral countries in the context of the Berlin question;
- (c) the clear intention of the Chinese to test their own nuclear weapons no matter what might or might not be agreed at Geneva;
- (d) the wish to give satisfaction to the communist advocates of a tough line.

The Soviet Government is making cessation of nuclear tests dependent on the achievement of complete and general disarmament as well as the settlement of the German problem.

38. After concluding its test series, the USSR began shifting its policy in order to recoup the propaganda losses it had suffered when it resumed testing. Moscow's agreement to return to the Geneva talks, and the indications it has given that it will refrain from testing if the West follows suit, are designed to inhibit or embarrass the West in further testing. The new Soviet proposals tabled at the recently resumed Geneva conference hardly constitute a step forward. While the USSR will probably adhere to its present position for purposes of propaganda, its reluctance to accept adequate controls for an effective test ban appears undiminished."

39. Although the Soviets appear to have accepted a compromise interim arrangement for the United Nations Secretariat, they have not finally abandoned their demand for fundamental reorganization of the United Nations, and they can be expected to continue to press the issue of the troika whenever the opportunity arises in the United Nations, specialised agencies and other international bodies.

V. THE INTERNAL SITUATION

40. Inextricably linked with the projection of Soviet power and influence abroad, basic domestic policy issues have been the subject of controversy for some time.

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41. Khrushchev's speeches at the Party Congress in conjunction with the new Party programme constitute a forceful and at times polemical reassertion and defence of his own domestic programme. While he emphasised the near-term primacy of heavy industry, he also confirmed his continuing commitment to a more consumer-oriented economy, broader Party and public participation in the exercise of authority, and a flexible and pragmatic approach to out-dated elements of doctrine.

42. The Party's position on problems relating to domestic policy, as it emerges from the various speeches made at the Congress, is apparently still one of fidelity to the "middle-of-the-road" line roughed out during the preparatory period. Khrushchev continues, for instance, to warn the Party against those who aspire to speed up the transition to communism. He always subordinates the advent of communism to the existence of certain economic, political and social conditions.

43. Although the main theme of the Party programme is the transition of the Soviet Union from "Socialism" to "Communism", it should be noted that the programme does not fix a definite date for the achievement of full communism.

44. By 1980 only the "foundations of communist society" will be laid. The completion of the building of communism will occur in a later, unspecified period. The Soviet State will "wither away" in this distant future, when a developed communist society exists in the USSR and only if communism has triumphed over Capitalism in the international arena.

45. In the economic field, the important task, according to Khrushchev, is to create the "material and technical basis for Communism" by ensuring abundant supplies. The expansion of heavy industry as a priority must not, however, be accompanied by further "sacrifices" by the people. The First Secretary criticises the "shortage" of consumer goods resulting from the "dogmatic" application of certain Stalinist theories.

46. In the field of social relations, communism pre-supposes the removal of differences between town and country and between manual and brain-work. With an abundance of goods, it will be possible to introduce new methods of distribution. Here again, however, he warns against attempting to go too fast.

47. Lastly, from the political angle, the advance towards communism pre-supposes broader public participation in the management of public affairs. This is what the programme refers to when it announces the disappearance of the dictatorship of the proletariat and the emergence of a new type of State: the State of the whole people. On this point too, the new Party themes have obviously been criticised and have had to be defended to make them acceptable in certain quarters.

48. The Party Leadership. The XXIIInd Congress renewed the leadership of the Party. The principal modifications are as follows:

- the number of members of the Praesidium was reduced from 14 to 11 through dropping four of its members (Ignatov, Mukhitdinov, Aristov and Mrs. Furtseva) and electing only one new member (Voronov);
- the number of members of the Secretariat rose from 5 to 9;
- there was also a marked increase in the membership of the Central Committee (from 133 to 175). At the same time, the composition of the latter was radically altered, since over 60% of its members are new. A particularly noteworthy point is the strengthening of the military element in this body, which was increased from six to 14 representatives.

The causes and effects of these changes are difficult to appraise since so many assumptions are possible.

49. Economic Developments in 1961. The economic performance of the USSR continues to show a rapid though slightly reduced pace of industrial growth, slow progress in agriculture and modest improvements in living standards.

50. Gross output of industry (as calculated in the USSR it exaggerates the actual rate of growth) in the first three quarters of 1961 rose by 8.8% compared with 10% in 1960 and 11% in 1959. This reduced rate of growth, however, is still greater than that planned to fulfil the Seven Year Plan. The slowdown may have been caused partly by the gradual introduction of a 41-hour working week, initiated in 1956 and completed by the end of 1960. It may also be due to excessive dispersion of investment. If these difficulties are surmounted, the rise in output may be expected to regain some of its former momentum over the next few years.

51. The relative failure of agricultural production in recent years has compelled the Soviets to envisage an increase in investment which, however, does not seem sufficient to meet the goals of the Seven Year Plan.

52. According to official Soviet sources, this year's grain crop will be somewhat better than last year's, in particular in the important producing area of Ukraine, and the supply of bread grains to the urban population seems largely ensured. On the other hand, the hopes placed on the virgin lands East of the Urals have again been disappointed. Livestock products are still not

sufficient to meet the growing demands of an increasing urban population. "Agriculture", said Khrushchev in his speech of 17th October, "is a height on the road to communism which we must scale by using the whole might of the Soviet system".

53. The structure of Soviet industrial output and investment continued to reflect the established order of priorities, with particular emphasis on basic industries, engineering and chemicals. Though such capital goods may in the end benefit the consumers their immediate use as a tool of power policy is obvious. This emphasis is also reflected in the revision upwards, announced at the XXIIInd Congress, of some of the original Seven Year Plan heavy industry targets.

54. On 8th July, Khrushchev announced that the military budget for 1961 has been increased from 9.26 to 12.39 billion roubles and that the planned reduction of the Soviet armed forces would be suspended. This announcement was followed in the next few days by "spontaneous" declarations by workers in the armaments industry of their intention to increase working hours from seven to eight. The halt in demobilisation does not fully account for the increase in the military budget, which is now larger than at any time since 1945. In addition, the military expenditure concealed elsewhere, under the heading of "Science", has itself also increased greatly.

55. The 20 Year Plan. The 20 Year Plan announced in the new party programme provides for a substantial rate of growth during the initial years which would then gradually diminish. The average increase during the period is planned at 9.3% compared with an average of about 10% attained in the first 33 months of the present Seven Year Plan. This is predicated on achieving a major increase in the productivity of labour (7 - 8% compared to 5.6% in the first period of the present Seven Year Plan). In addition, working hours are to be reduced further after 1964 by introducing a six hour working day in industry. According to Khrushchev's speeches at the XXIIInd Congress the output of consumer goods will continue to increase more slowly than that of producer goods. On the other hand, a larger proportion of the output of producers' goods is to be devoted to industries and to services catering for consumers.

56. The forecasts of the 20 Year Plan in the social field provide for the further extension by 1980 of free services to the population, in the fields of education, medical care, old age pensions, housing, community services and others. The programme's short-term effects on Soviet consumers' welfare will, however, be small as it relegates the achievement of the major goals into a relatively distant future.

57. Implementation of the 20 Year Plan may fall short of the specified goals, particularly in the announced standard of living and seems certain to do so in agriculture. Nevertheless, the

Soviet economy can be expected to continue its rapid growth over the next 20 years, increasing also its possibilities of influencing world trade in certain products. The ambitious 20 Year Economic Programme aiming at transforming the USSR into the world's most powerful country and to bring to the Soviet population an abundance of material goods poses a serious challenge to the Western world in terms of the balance of power. It is also likely to have a major political and propaganda impact, particularly upon the less-developed, non-committed countries.

58. The trend in recent years toward slightly increased internal controls in some parts of the Soviet system was significantly evidenced this year in both the tightening up of criminal penalties for certain crimes and the increase and strengthening of various types of economic and other "control" agencies. The expansion of Party and state control bodies has brought a gradual return to a situation virtually analogous to the end of the Stalin era, as regards policing of the economy. The revelations of embezzlement, falsification of reports, and other administrative crimes this year indicate that the need may have increased for an expanded system of controls.

59. The Party also seems to be tightening its grip on the intellectuals. In the scientific field, a reform in the organization of research work, introduced early this year, which includes the setting-up of a Co-ordinating Committee, has done much to weaken the monopoly of the Academy of Sciences. The avowed aim of the reform is to direct scientific work into more practical channels, while the Academy is henceforth to confine itself to pure research. The Academy of Sciences is now largely free from responsibility for developmental projects. Most of its former applied research institutes have been transferred to appropriate industrial or other agencies with which their work was concerned.

60. A fresh warning has also been issued to writers: by publishing the speech delivered before them by Khrushchev in July, 1960, the Party reminded them in May that it might have to "take firm action" by virtue of its "sovereign right", as it had done in 1957 against the artists and writers who had been led too far astray by "destalinisation".

VI. IMPLICATIONS FOR WESTERN POLICY

61. Although the full significance of the XXIIInd Party Congress cannot yet be determined, it has clearly brought about no fundamental change in Soviet objectives, nor in the methods by which they will be pursued.

62. It has been argued in some quarters that, since Khrushchev's line in foreign policy is at least more flexible than that advocated by his critics inside the Soviet Union and

elsewhere in the Bloc, the best course for the Western powers is to make sufficient concessions to him to ensure that he remains in power. We consider that this would be a highly unsound basis for Western policy.

63. Although the continuance of the rifts in the Sino-Soviet bloc carries certain benefits for the West, it appears that in general overt attempts by the Western powers to deepen or exploit these rifts would probably be counter-productive, since they would tend to bring the parties together on the issue on which they are most united, viz. hostility to the West. This does not exclude the West from attempting discreetly to derive such advantages as it can from these rifts, and the case of Albania deserves special consideration.

64. The renewal of destalinisation and the Soviet breach with Albania may produce interesting repercussions in the other European satellites. The Western powers should keep their policies towards these countries under review to ensure that they remain appropriate to a changing situation.

65. Both Khrushchev and his critics within the bloc continue to interpret the world situation primarily in terms of the "correlation of forces" which they consider to be shifting in their favour. It follows that the West must maintain and increase its strength and unity in the economic, political and military fields.

66. On Berlin as on other problems, the West must seek to combine strength and firmness of purposes with willingness to seek satisfactory solutions through timely negotiations.

67. In the underdeveloped countries, the Western powers should try to ensure that openings for Soviet aid are kept to a minimum; that those governments which deliberately choose Western in preference to Soviet aid should not be disappointed; and that in those cases where it is recognised that a certain degree of Soviet aid is unavoidable, Soviet penetration should not be allowed to reach a point at which it risks bringing the country concerned under the political or economic domination of the USSR. In the longer term, our hope must be that as the new nations become politically more mature they will come increasingly to realise that communism represents a greater menace to them than the West ever was or will be.

(Signed) R.J.W. HOOPER
Chairman

OTAN/NATO,
Paris, XVIIe.