

50028-B-40

Joint Intelligence Committee - Soviet Union - General file

File-Tex Vertical
Folder No. Sp. 2394-10



For subsequent material on JIC Smi-Annual

Review of Trends in Communist Bloc Policy
including Communist China see file (50028-
B-1-40

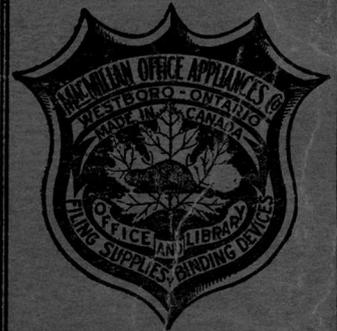
Sino-Soviet Bloc Economic Activities in
Underdeveloped ~~countries~~ areas early 1956
see file 50028-B-2-40

*Sale Hydrographic Maps, etc
50028-B-540*



TIP-BACK
FILE COVER

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File Pocket

Index Maps

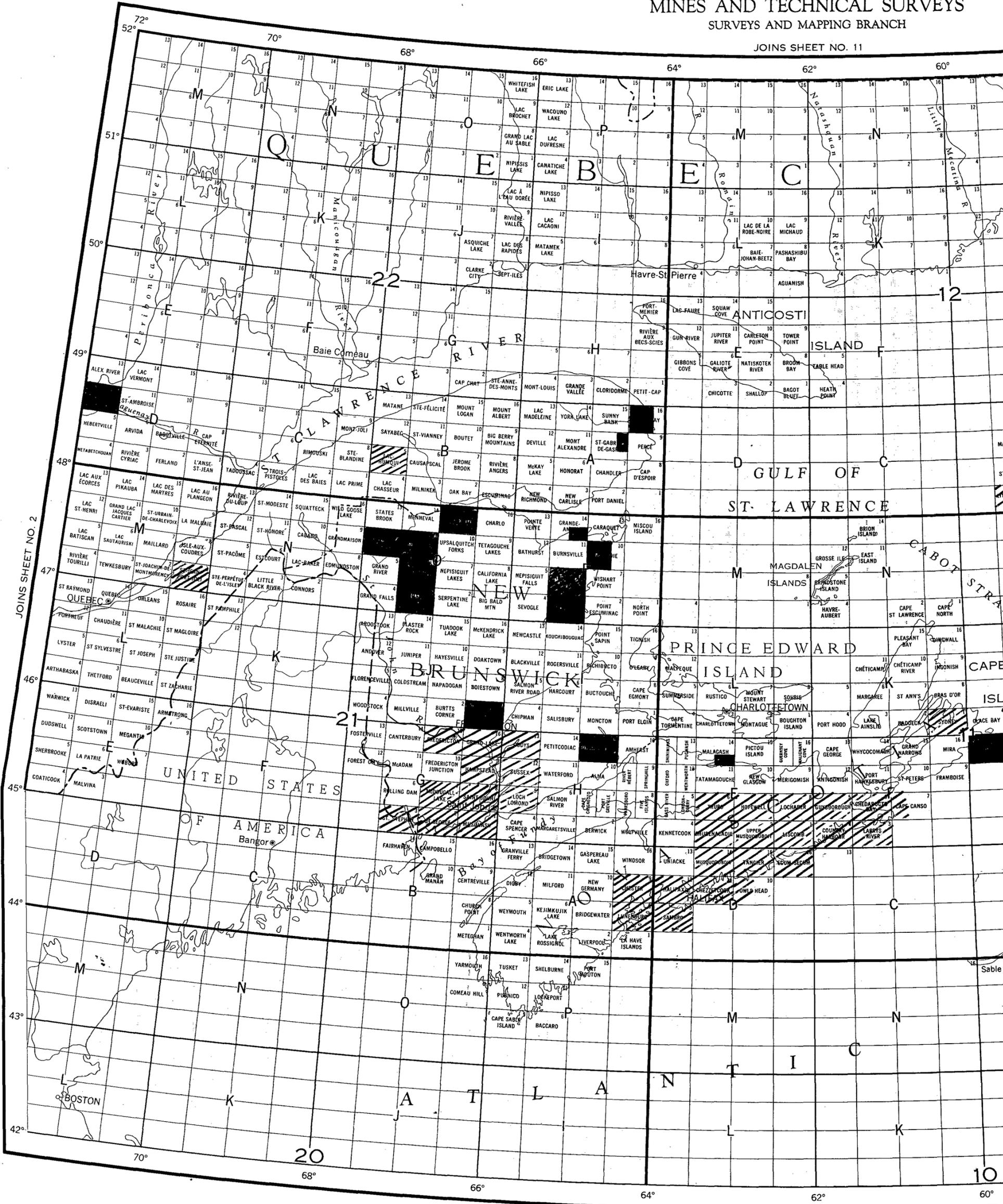
enclosure to SIC letter (csc 5-7 (SIC))
of April 24, 1957

FROM THE
DEPARTMENT OF EXTERNAL AFFAIRS
EXP.
MINISTÈRE DES AFFAIRES EXTÉRIEURES
OTTAWA, CANADA

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CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

JOINS SHEET NO. 11



INDEX TO 1:50,000 AND 1:63,360 MAP SHEETS
OF THE NATIONAL TOPOGRAPHIC SERIES

CORRECTED TO FEBRUARY 28, 1958

When ordering maps, the map name and number should be quoted.
EXAMPLE: — HALIFAX 11D/12

- Map name..... HALIFAX
- Block number..... 11
- Letter..... D
- Map number (1-16)..... 12

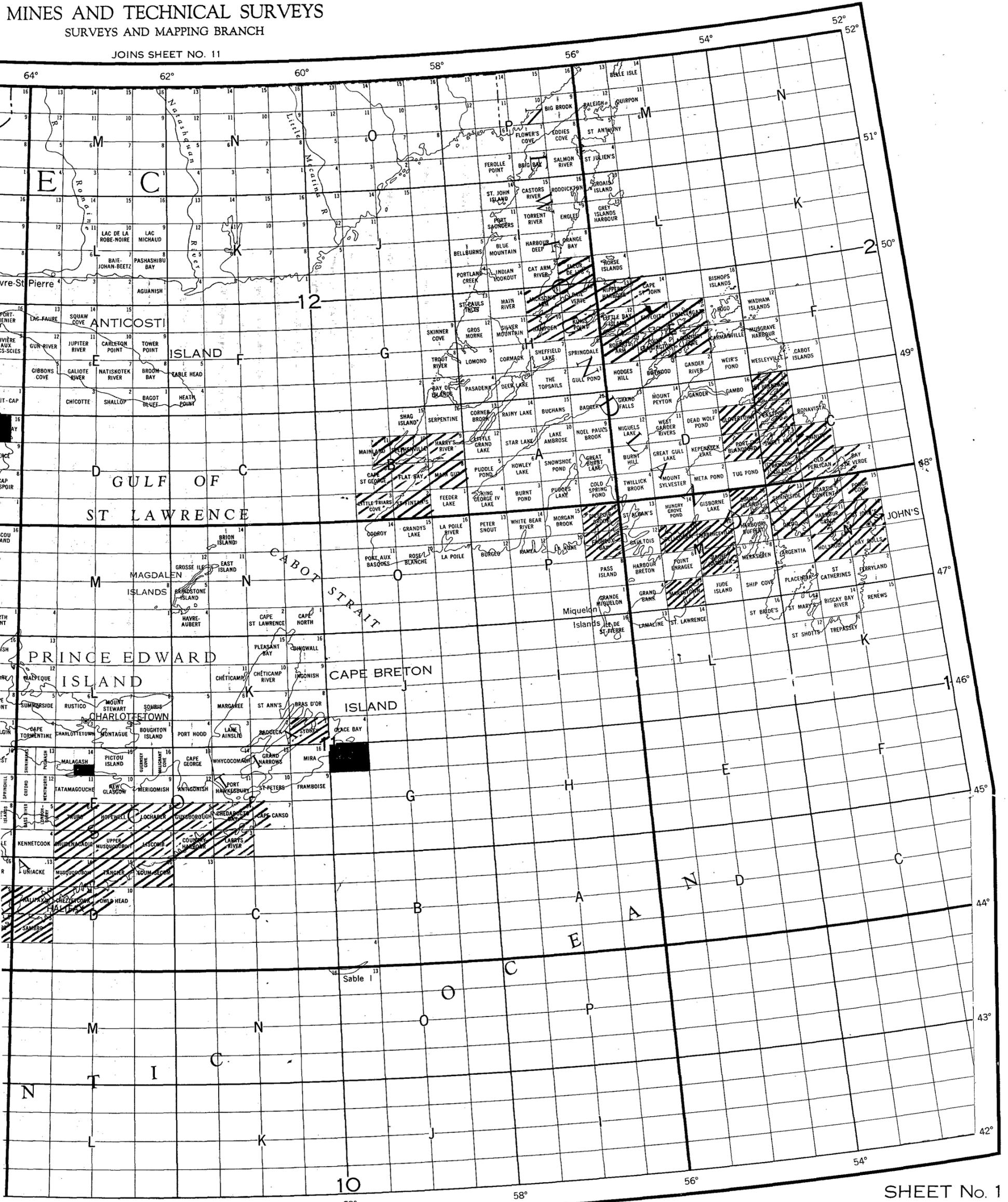
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JOINS SHEET NO. 11



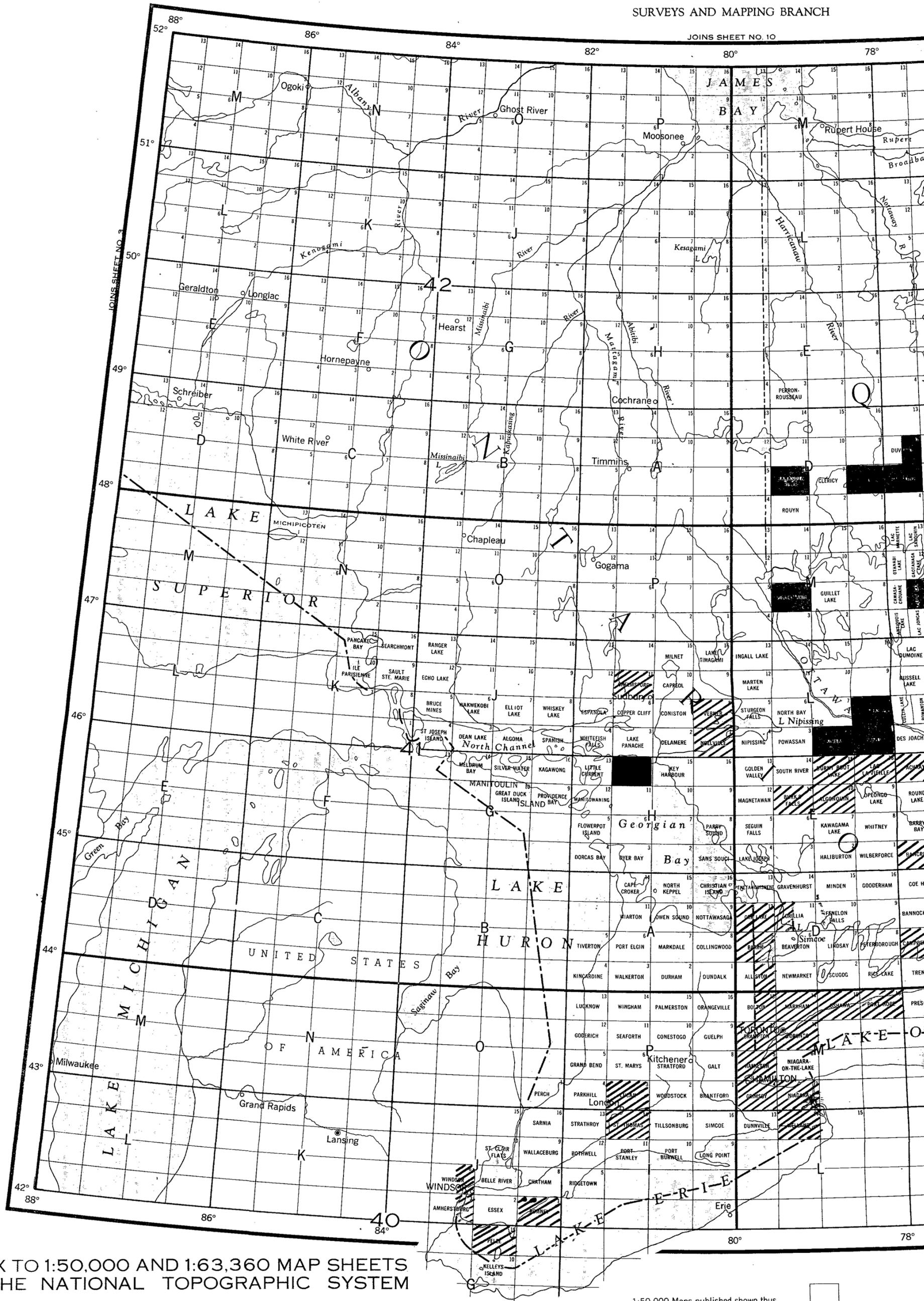
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 MINES AND TECHNICAL SURVEYS
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CORRECTED TO NOVEMBER 30 1958

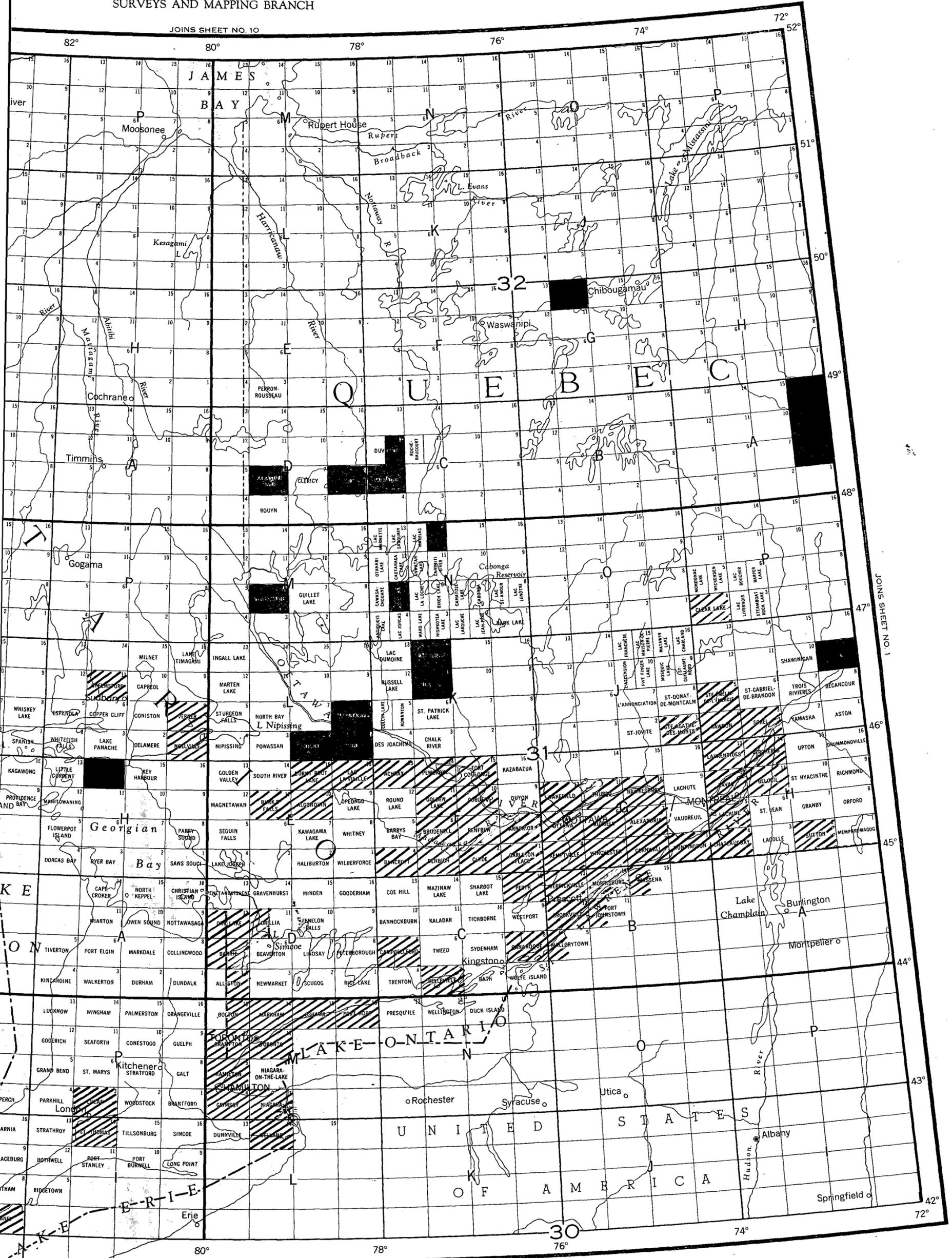
When ordering maps, the map name and number should
 be quoted. EXAMPLE: — OTTAWA 31 9/5

Map name.....OTTAWA
 Block number.....31
 Letter.....G
 Map number (1-16).....5

1:50,000 Maps published shown thus.....
 1:63,360 Maps published shown thus.....

CANADA MINES AND TECHNICAL SURVEYS SURVEYS AND MAPPING BRANCH

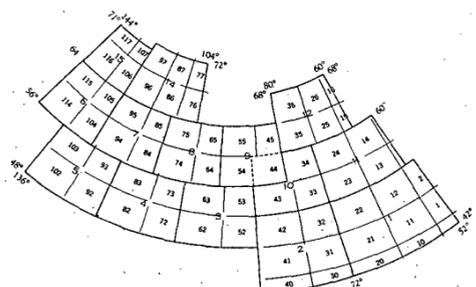
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JOINS SHEET NO. 1

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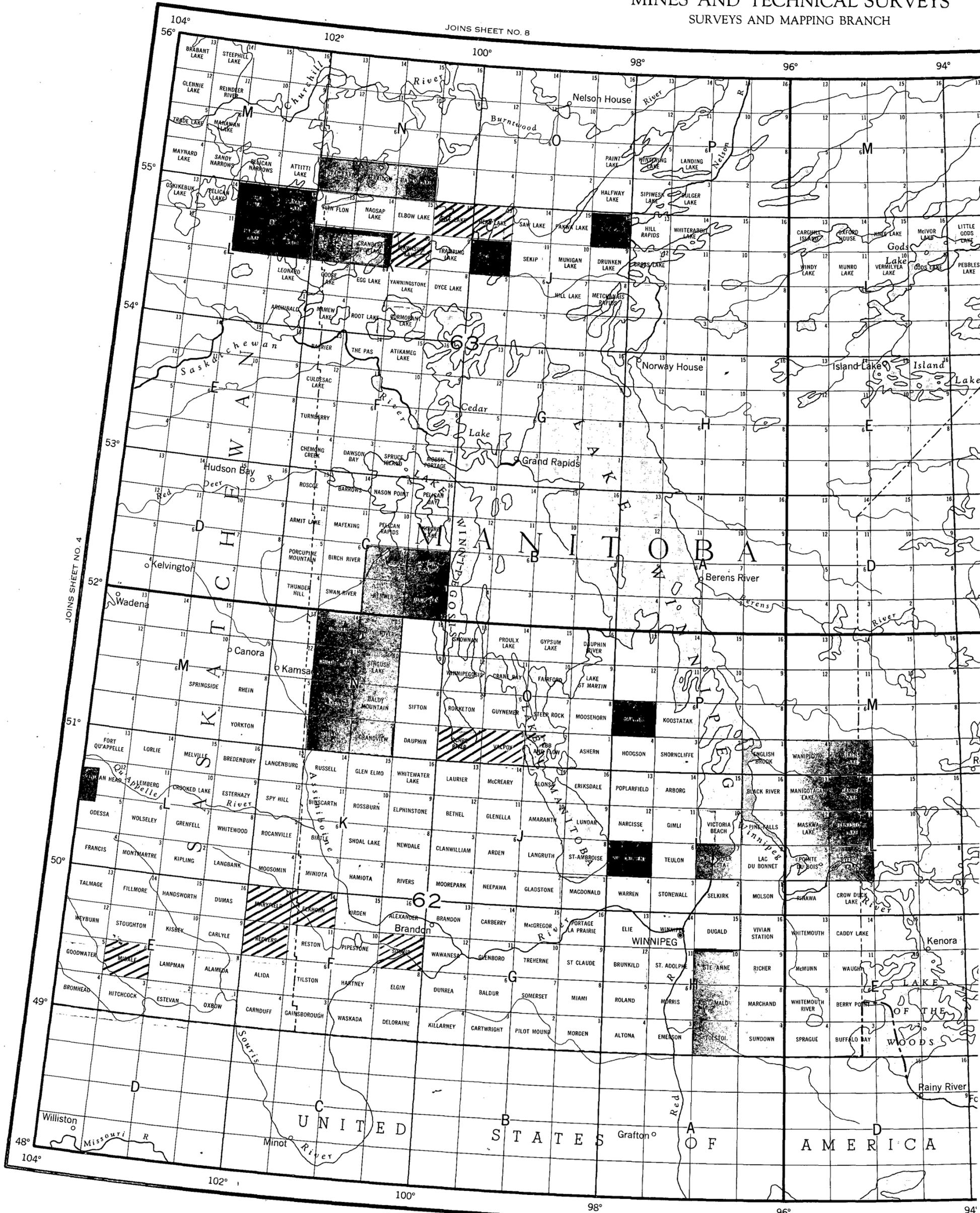
SHEET No. 2

Mr. Gurneille

1099

CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

JOINS SHEET NO. 8



INDEX TO 1:50,000 AND 1:63,360 MAP SHEETS
OF THE NATIONAL TOPOGRAPHIC SYSTEM

CORRECTED TO JANUARY 31, 1958

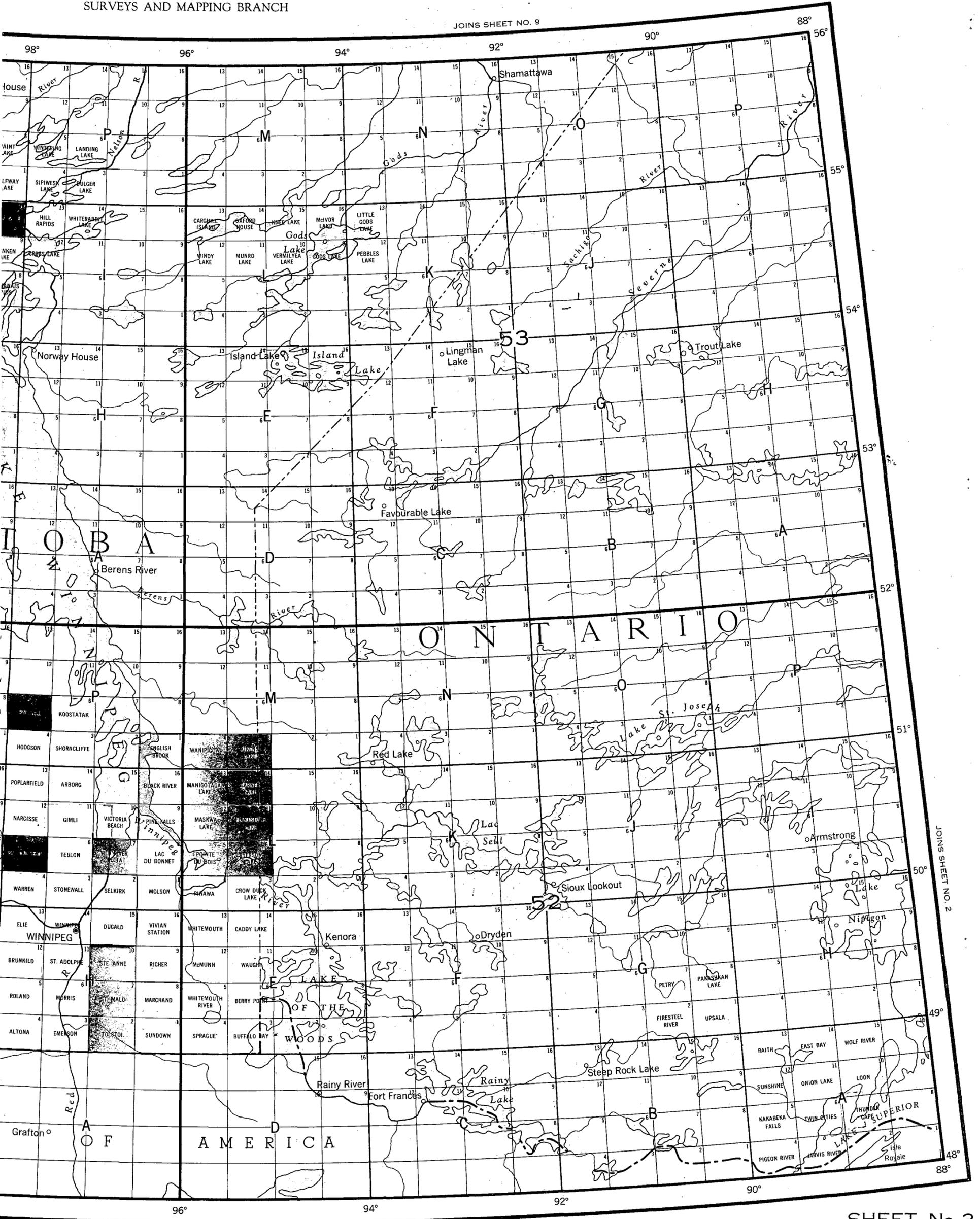
When ordering maps, the map name and number should be quoted. EXAMPLE: — WINNIPEG 62 H/14

Map name..... WINNIPEG
Block number..... 62
Letter..... H
Map number (1-16)..... 14

1:50,000 Maps published shown thus..... 
1:63,360 Maps published shown thus..... 

CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

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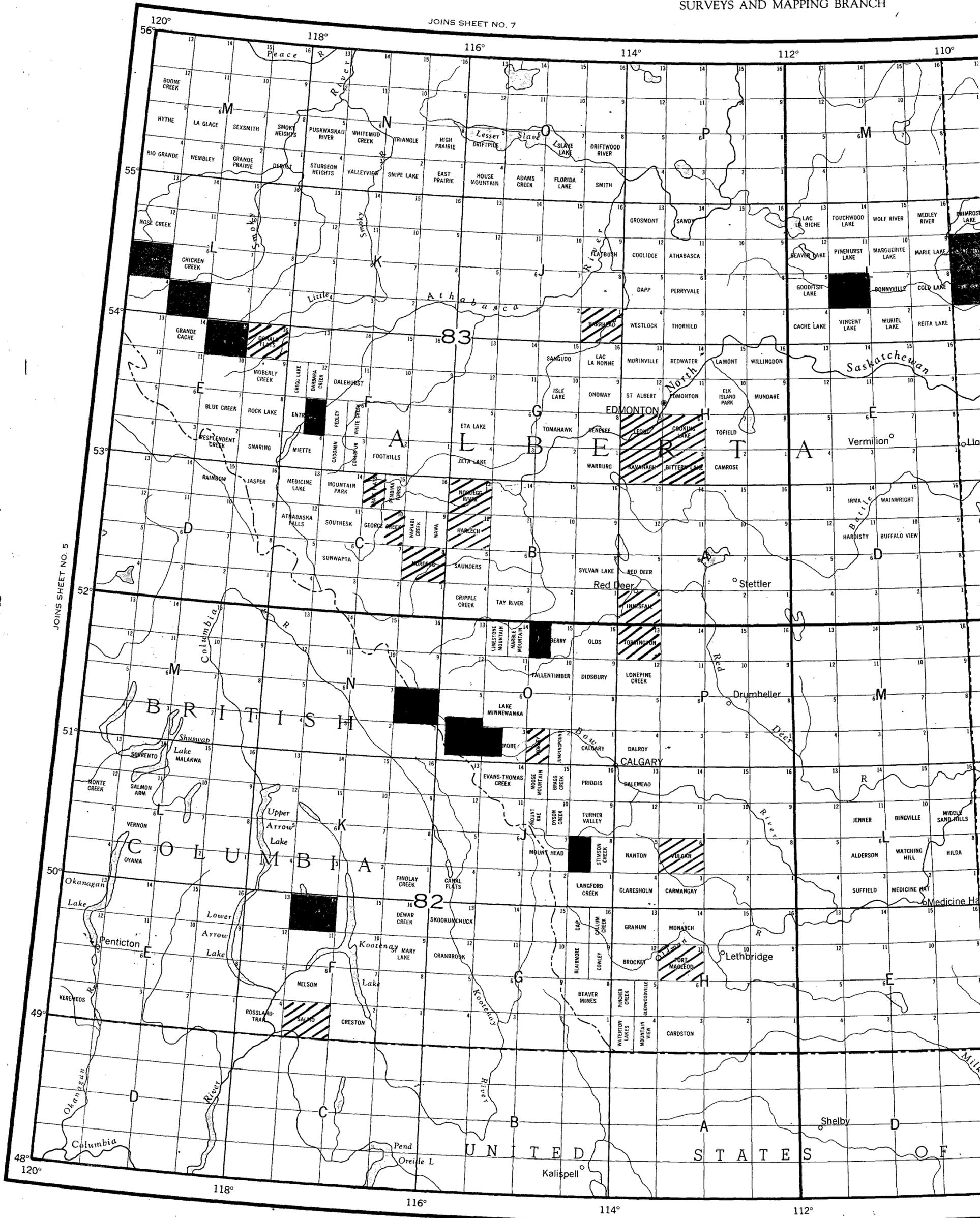


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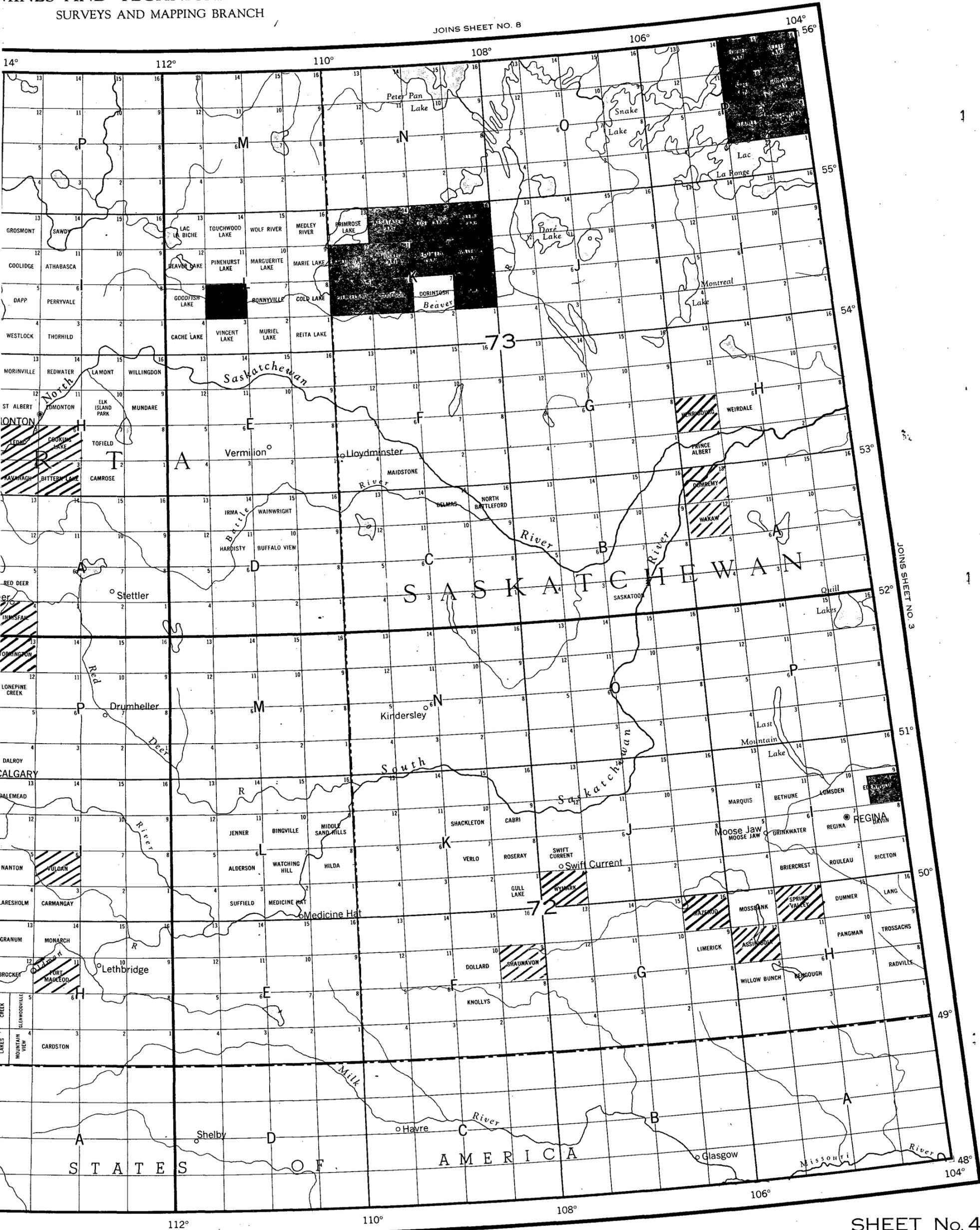
When ordering maps, the map name and number should be quoted.
 EXAMPLE: - EDMONTON 83 H₁₁

Map name.....EDMONTON
 Block number.....83
 Letter.....H
 Map number (1-16).....11

1:50,000 Maps published shown thus. 
 1:63,360 Maps published shown thus. 

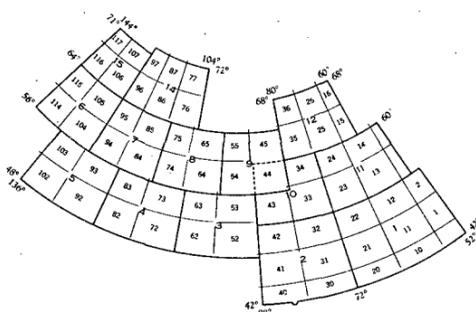
CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

JOINS SHEET NO. 8



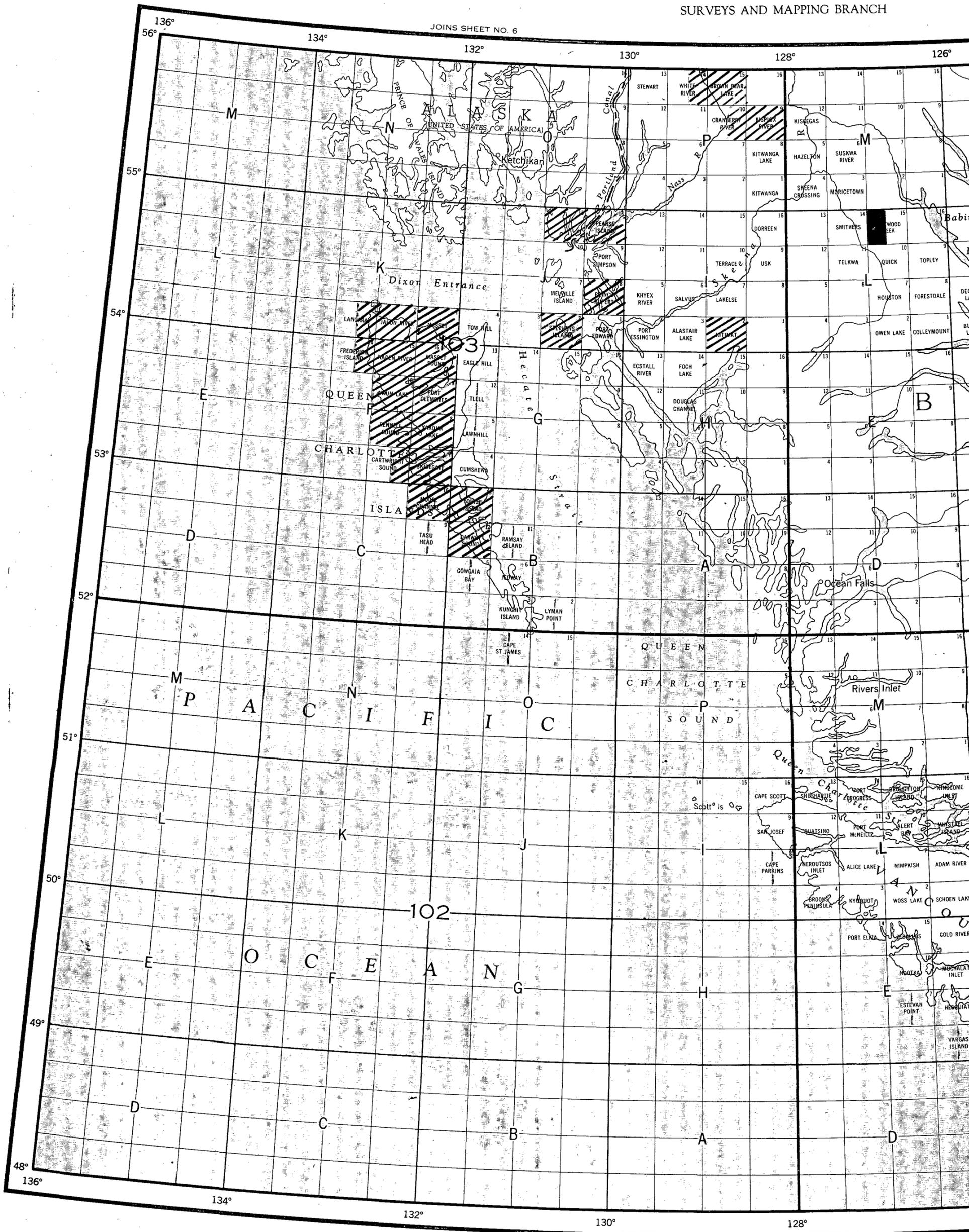
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CANADA
 MINES AND TECHNICAL SURVEYS
 SURVEYS AND MAPPING BRANCH



INDEX TO 1:50,000 AND 1:63,360 MAP SHEETS
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CORRECTED TO JULY 31, 1958

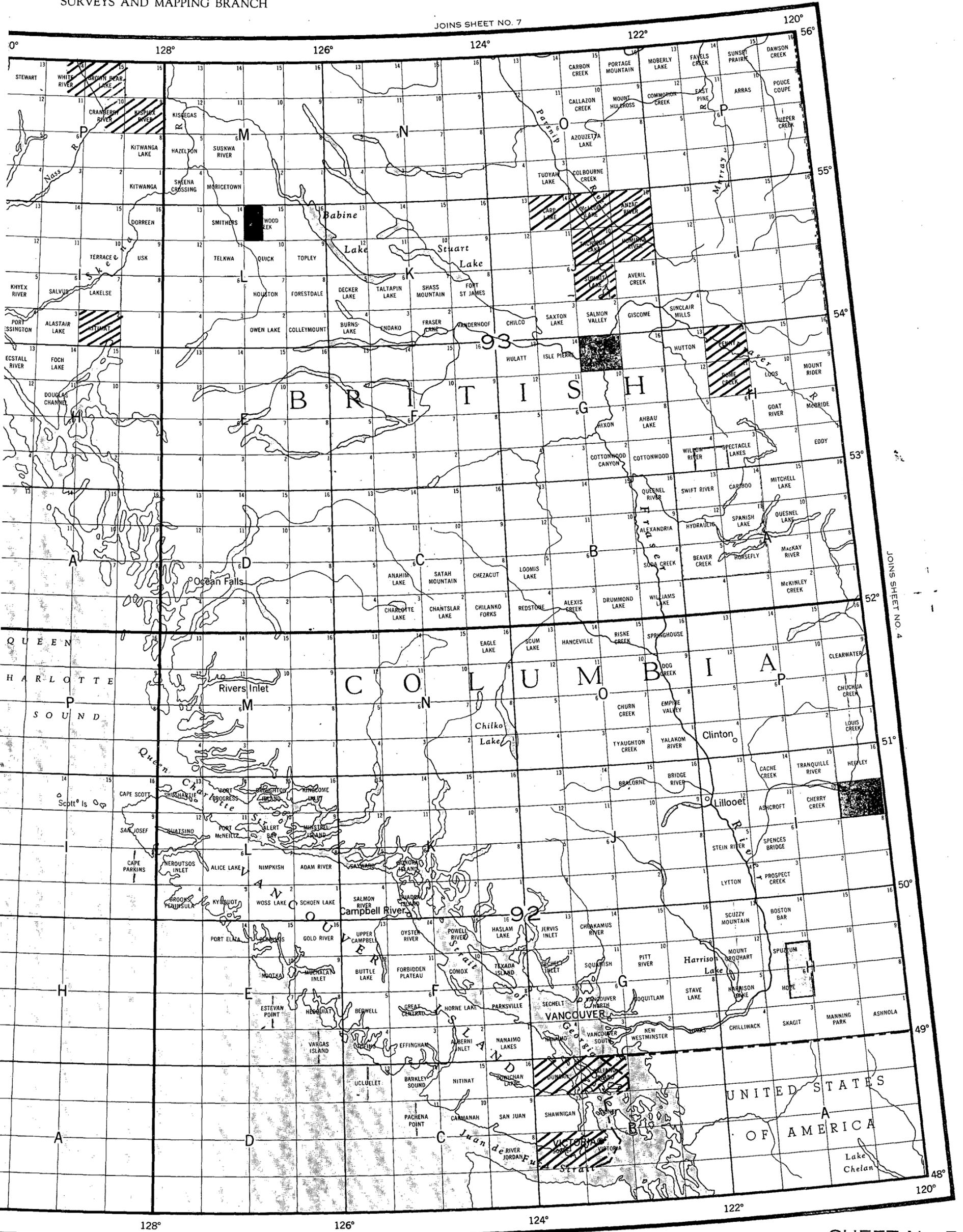
When ordering maps, the map name and number should be quoted.
 EXAMPLE: - COQUITLAM 92 G/7

Map name..... COQUITLAM
 Block number..... 92
 Letter..... G
 Map number (1-16)..... 7

1:50,000 Maps published shown thus..... 
 1:63,360 Maps published shown thus..... 

CANADA
MINES AND TECHNICAL SURVEYS
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JOINS SHEET NO. 7



JOINS SHEET NO. 4

SHEET No. 5

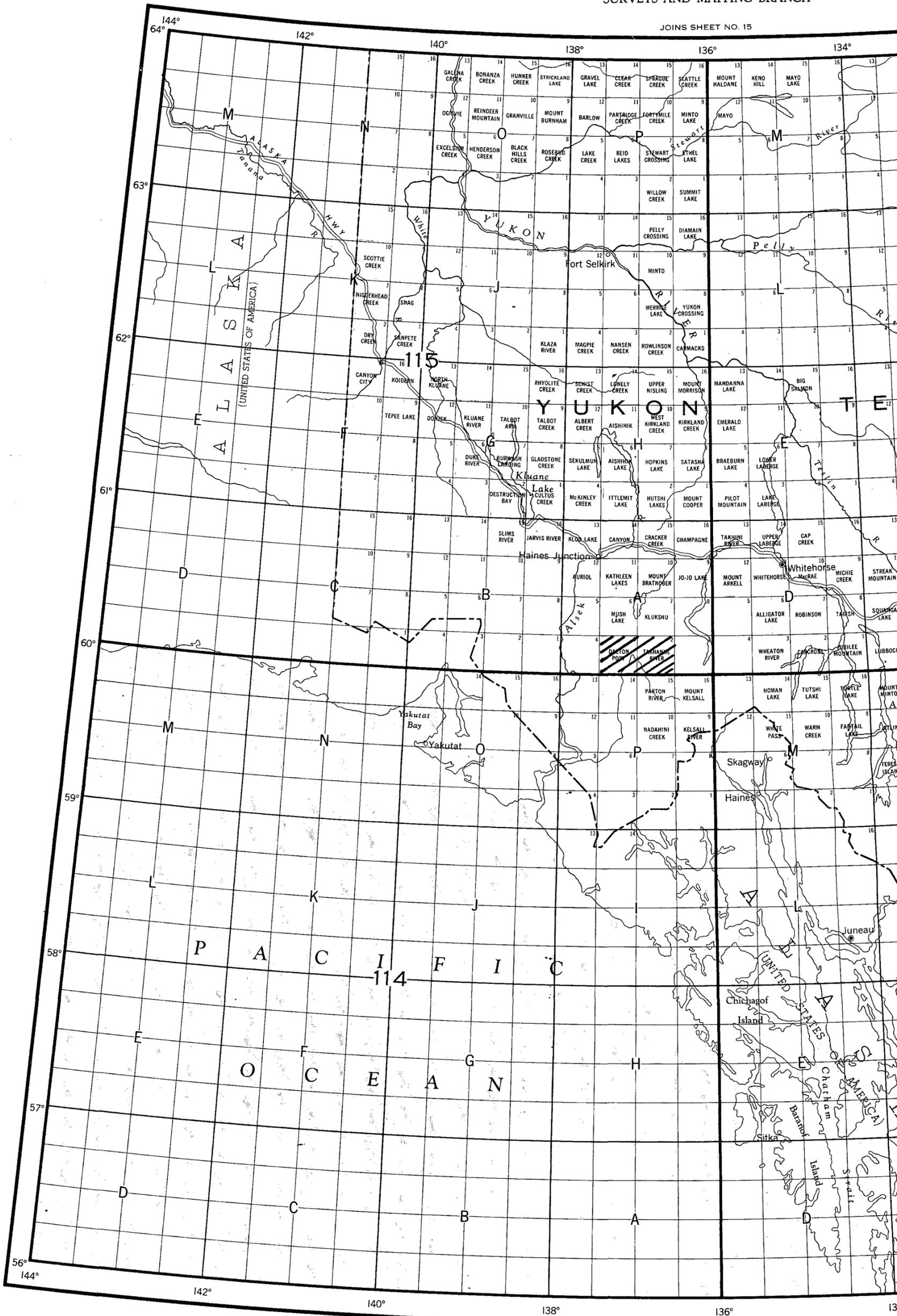
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CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

JOINS SHEET NO. 15



INDEX TO 1:50,000 AND 1:63,360 MAP SHEETS
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CORRECTED TO JANUARY 31, 1958

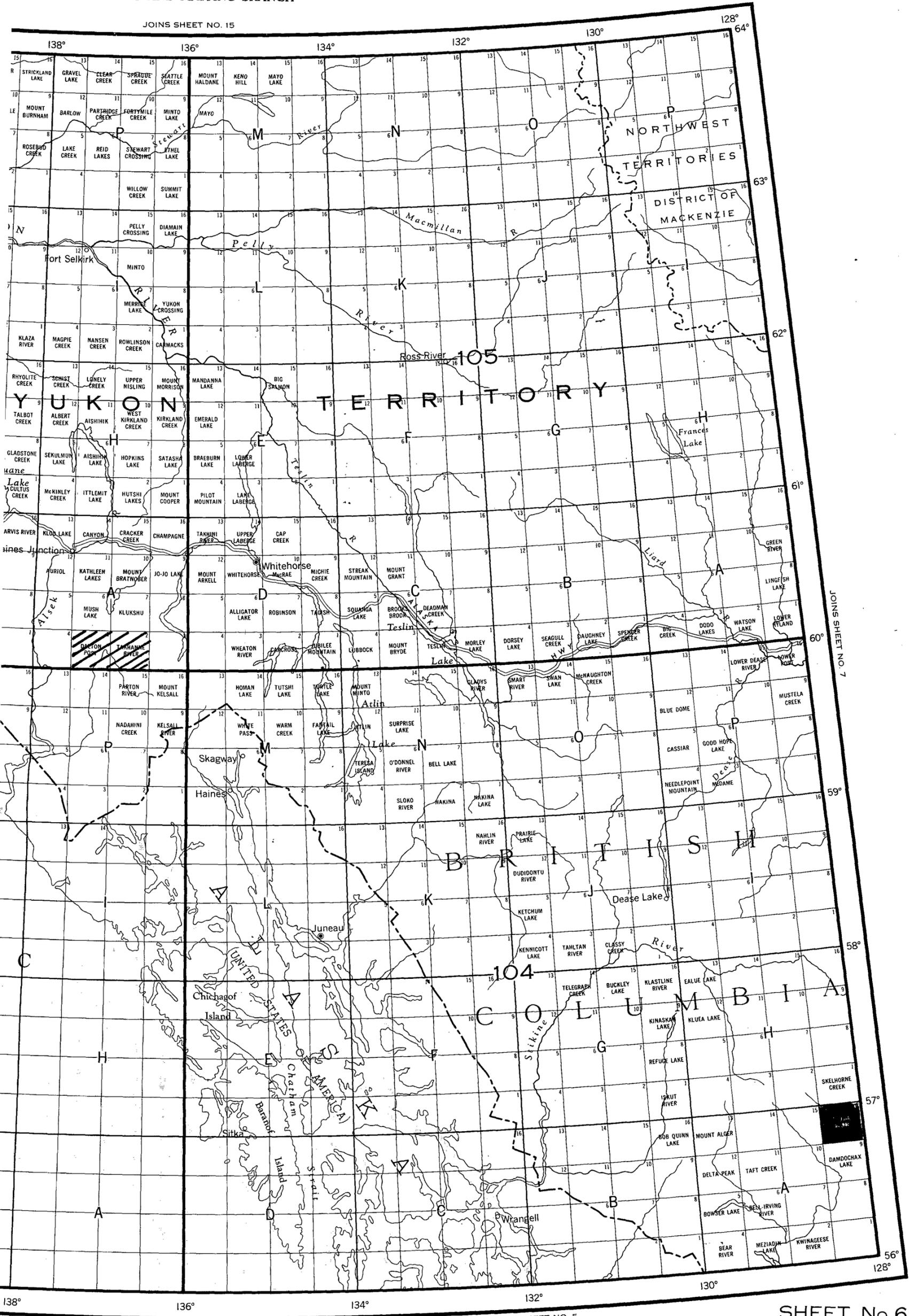
When ordering maps, the map name and number should be quoted.
EXAMPLE:— DUKE RIVER 115 G

Map name..... DUKE RIVER
 Block number..... 115
 Letter..... G
 Map number (1-16)..... 6

1:50,000 Maps published shown thus..... 
 1:63,360 Maps published shown thus..... 

MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

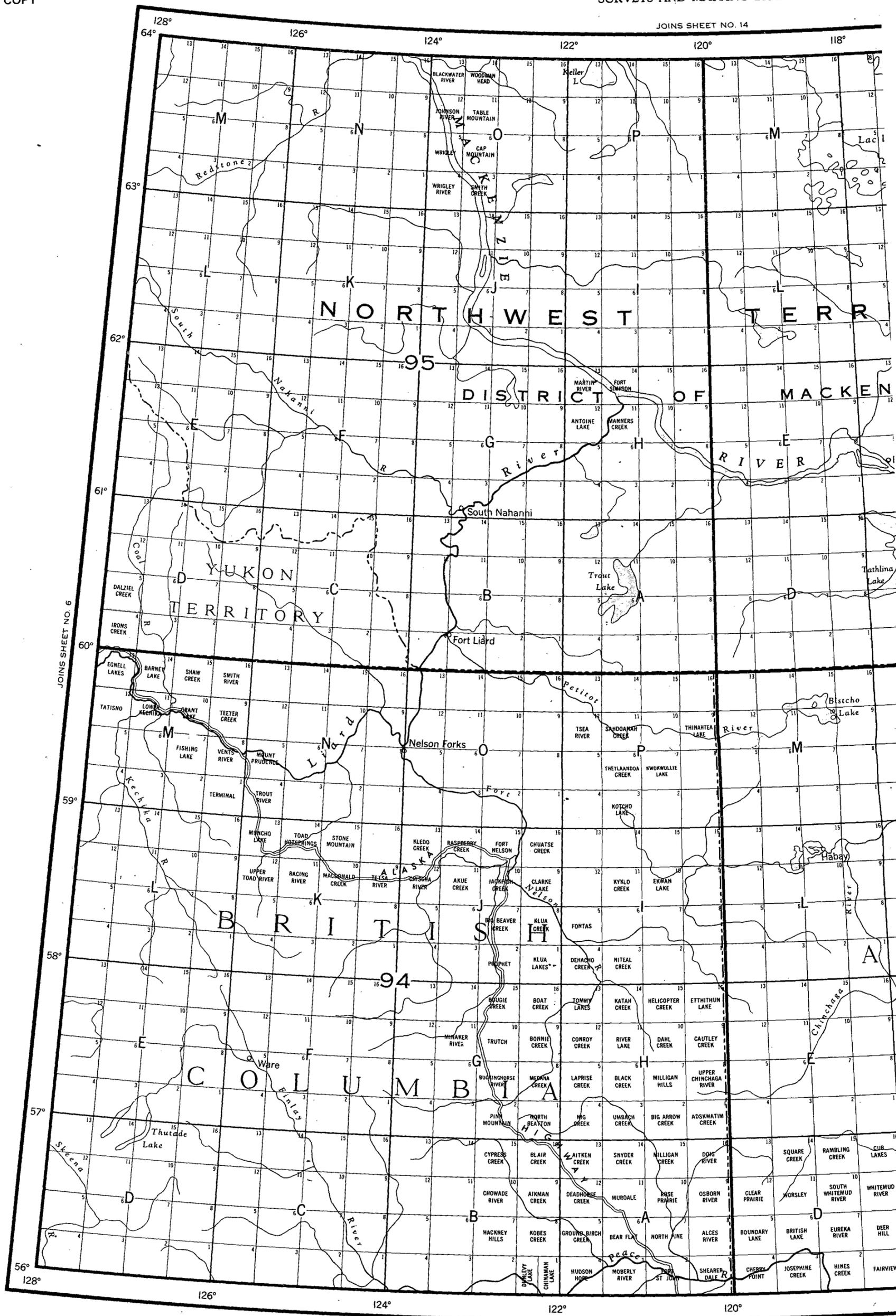
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CORRECTED TO JULY 31, 1958

When ordering maps, the map name and number should be quoted.
EXAMPLE: - HAY RIVER 85 B/13

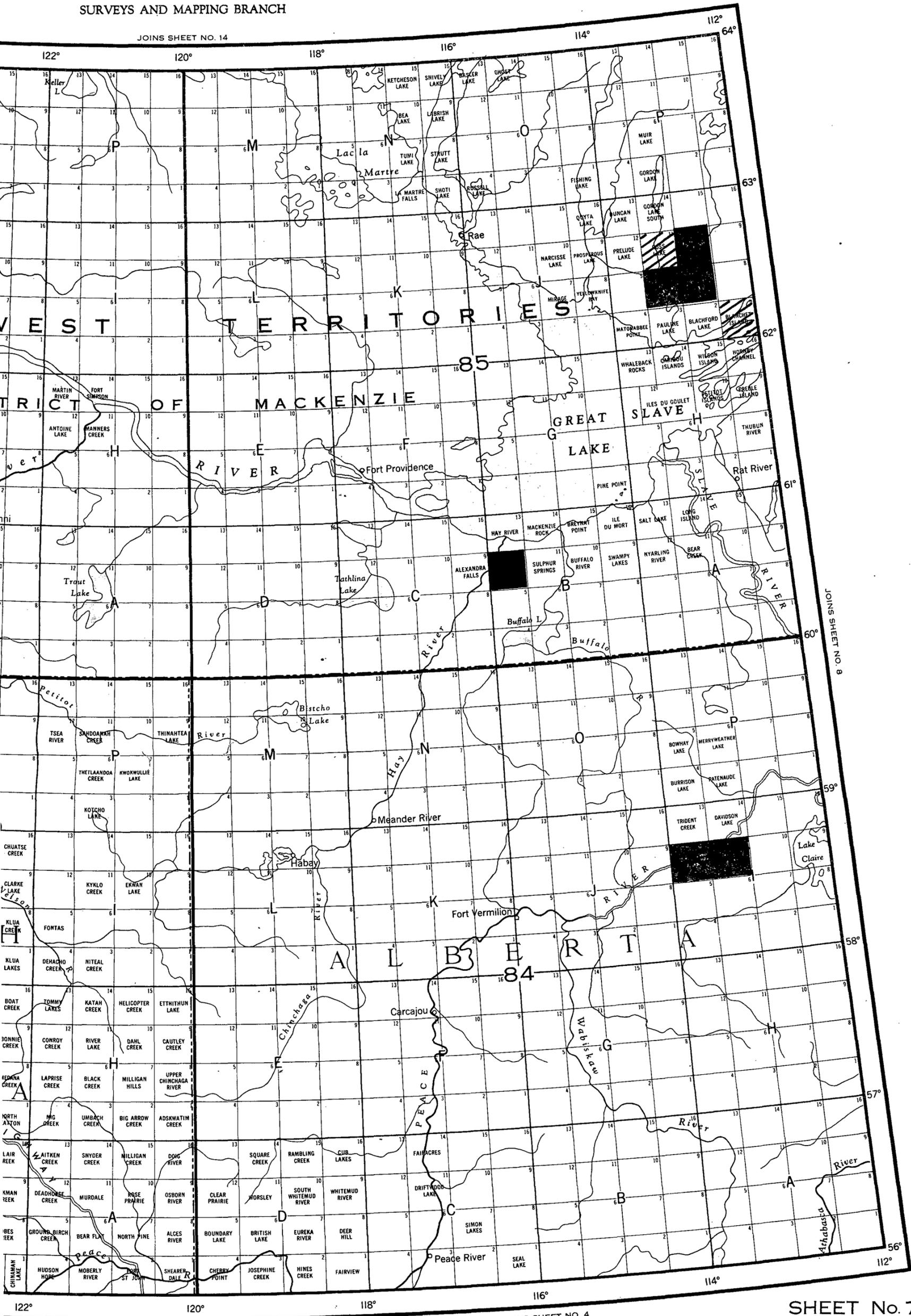
Map name..... HAY RIVER
 Block number..... 85
 Letter..... B
 Map number (1-16)..... 13

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CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

JOINS SHEET NO. 14



JOINS SHEET NO. 8

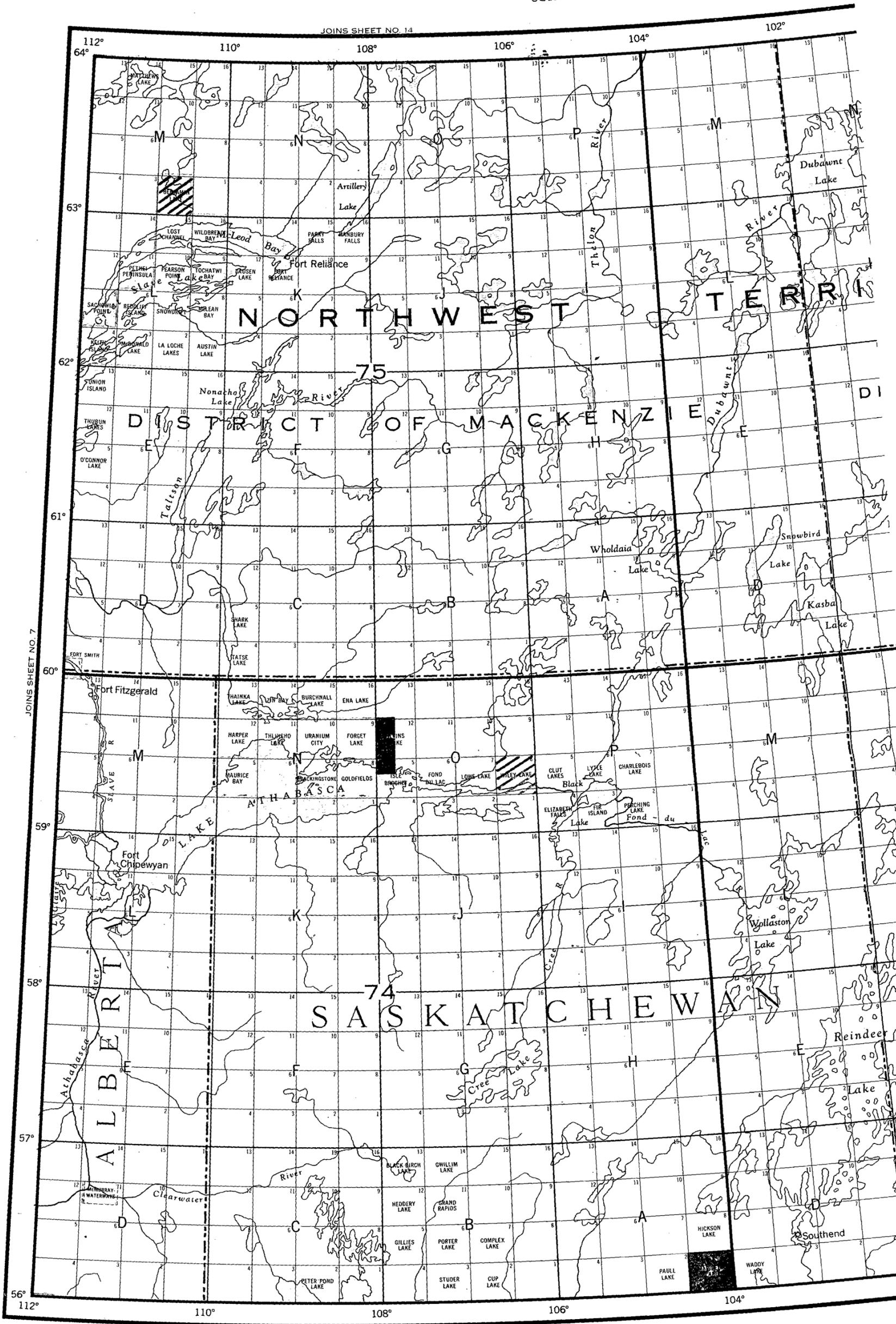
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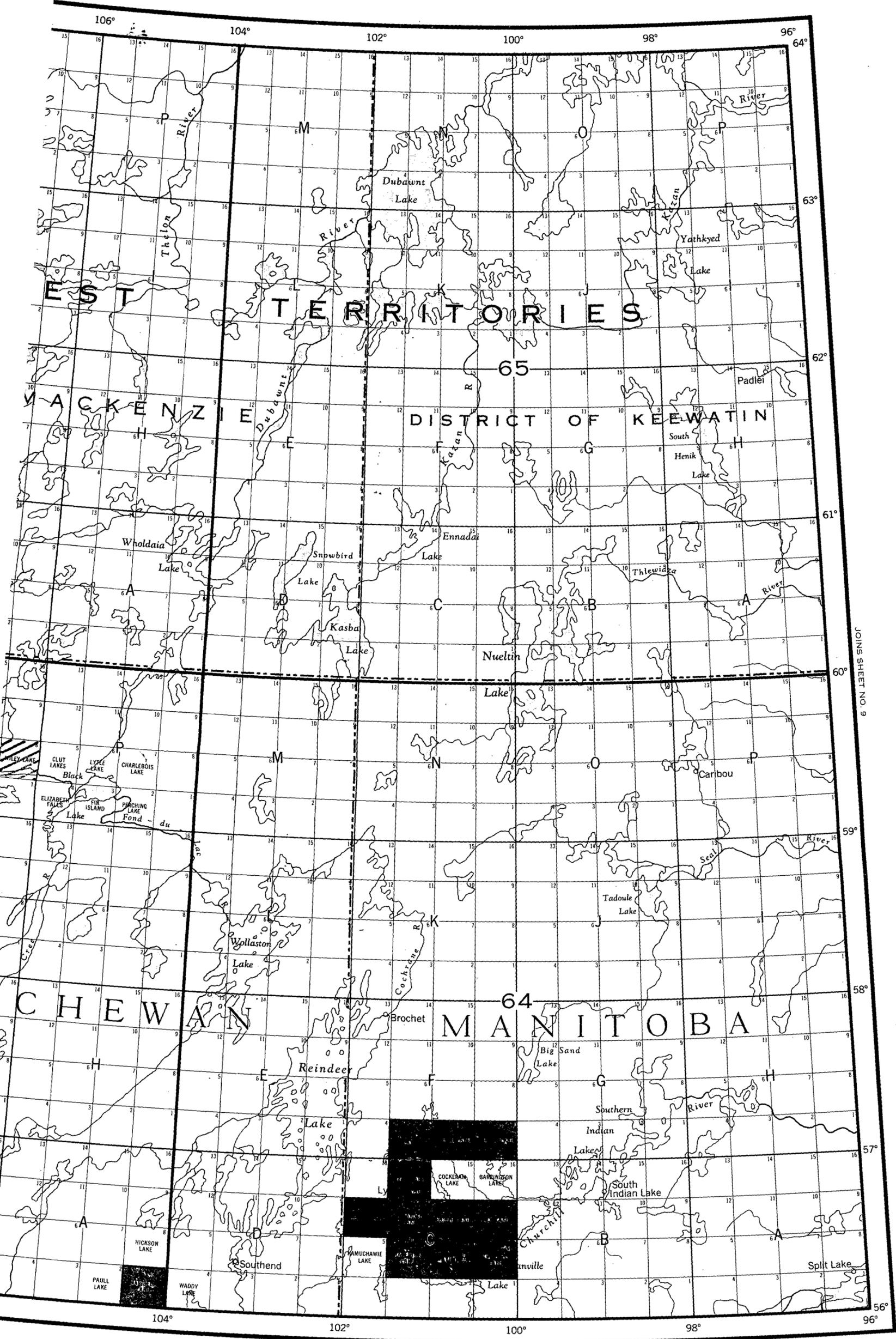
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INDEX TO 1:50,000 AND 1:63,360 MAP SHEETS
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CORRECTED TO MAY 31, 1958

1:50,000 Maps published shown thus: 
1:63,360 Maps published shown thus: 

When ordering maps, the map name and number should be quoted.
EXAMPLE: — LYNN LAKE 64 C 14
Map name LYNN LAKE
Block number 64
Letter C
Map number (1-16) 14

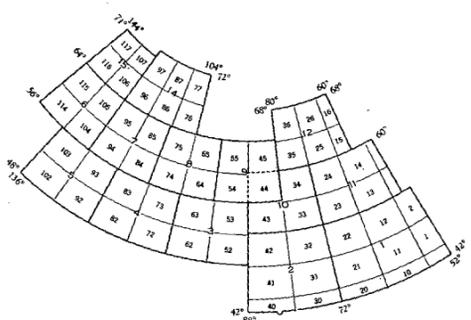


JOINS SHEET NO. 9

JOINS SHEET NO. 3

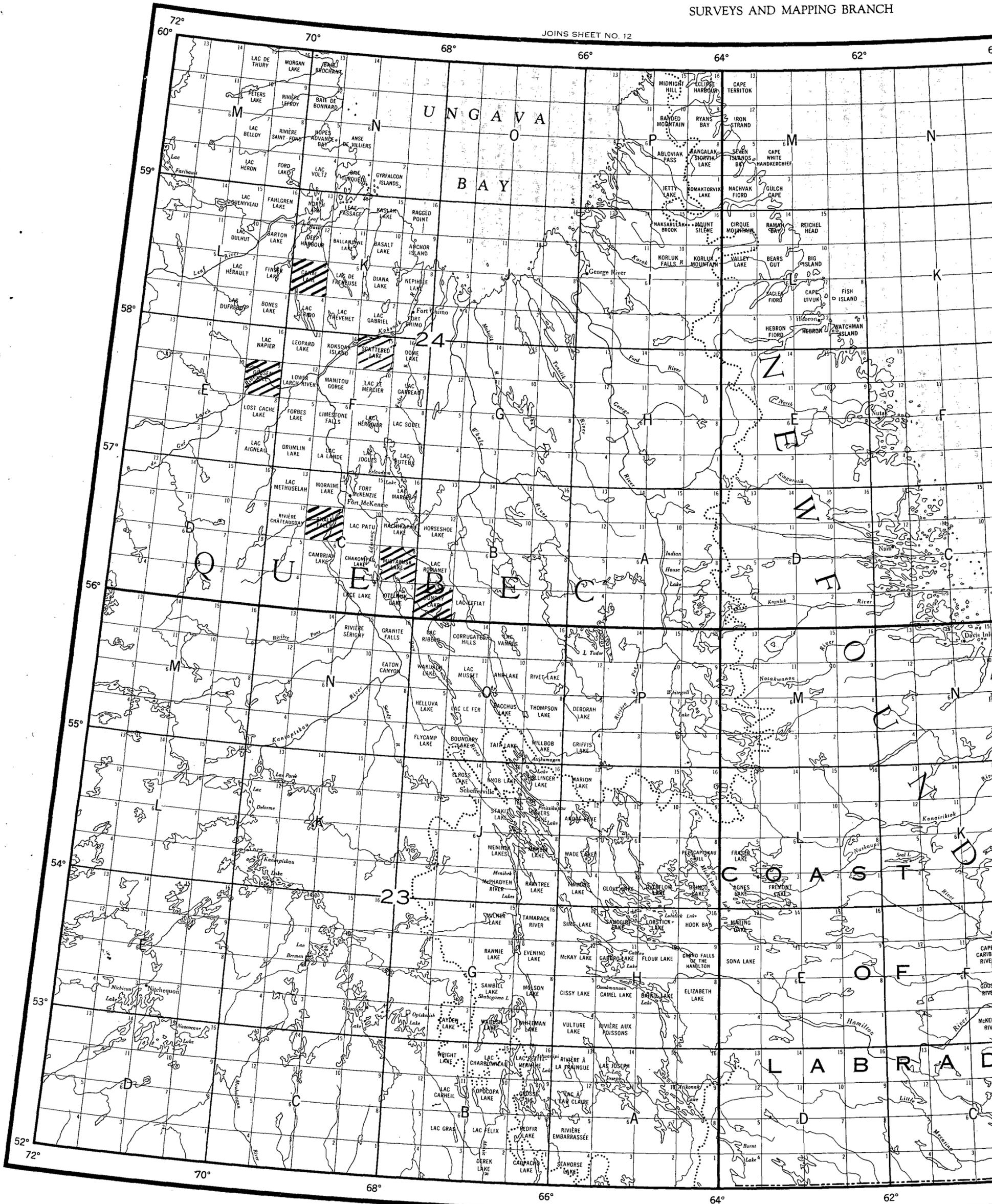
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CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH



JOINS SHEET NO. 12

JOINS SHEET NO. 1

INDEX TO 1:50,000 MAP SHEETS OF
THE NATIONAL TOPOGRAPHIC SYSTEM

CORRECTED TO MAY 31, 1958

Maps published shown thus

When ordering maps, the map name and number should be quoted. EXAMPLE:— KNOB LAKE 23 J/15

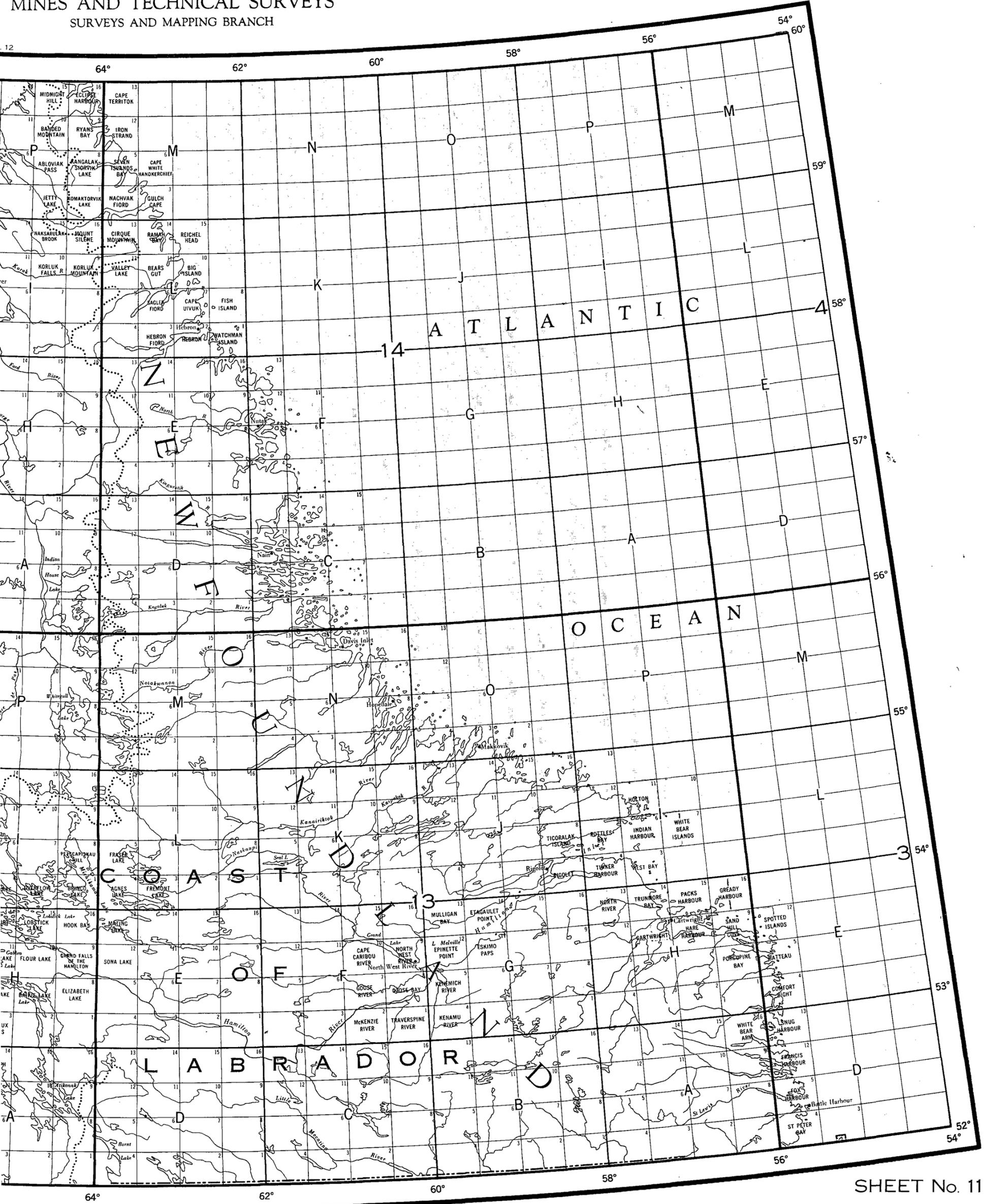
- Map name..... KNOB LAKE
- Block number..... 23
- Letter..... J
- Map number (1-16)..... 15

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CANADA

MINES AND TECHNICAL SURVEYS

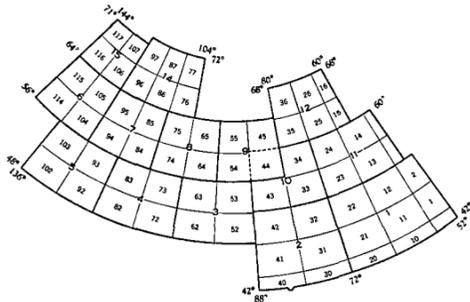
SURVEYS AND MAPPING BRANCH



SHEET No. 11

JOINS SHEET NO. 1

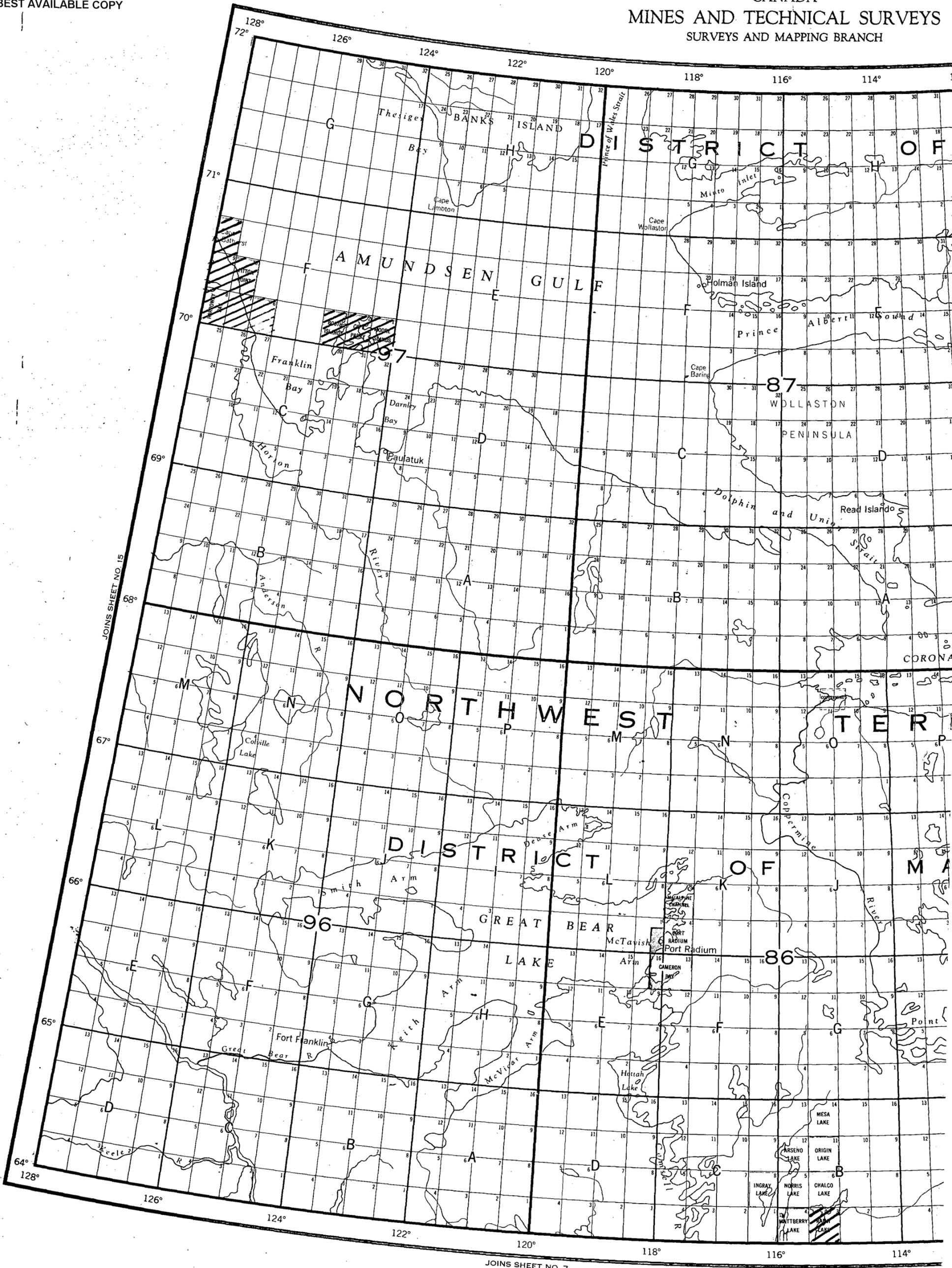
Maps published shown thus. 



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CANADA
 MINES AND TECHNICAL SURVEYS
 SURVEYS AND MAPPING BRANCH



INDEX TO 1:50,000 AND 1:63,360 MAP SHEETS OF
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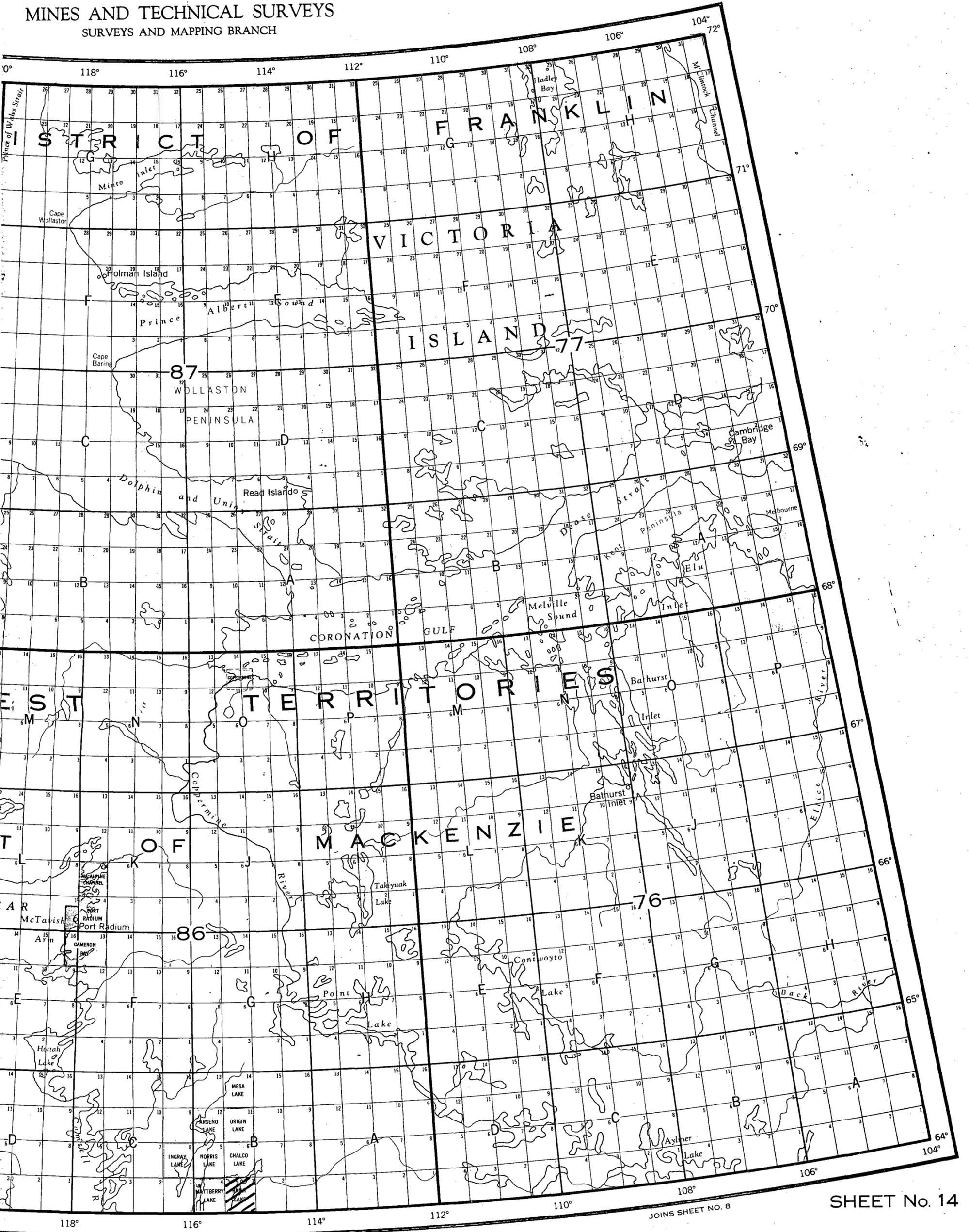
CORRECTED TO SEPTEMBER 30, 1958

When ordering maps, the map name and number should be quoted.
 EXAMPLE:— MESA LAKE 86B/14

Map name..... MESA LAKE
 Block number..... 86
 Letter..... B
 Map number (1-32)..... 14

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 1:63,360 Maps published shown thus.....

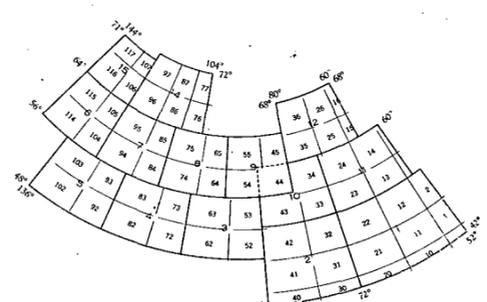
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SURVEYS AND MAPPING BRANCH



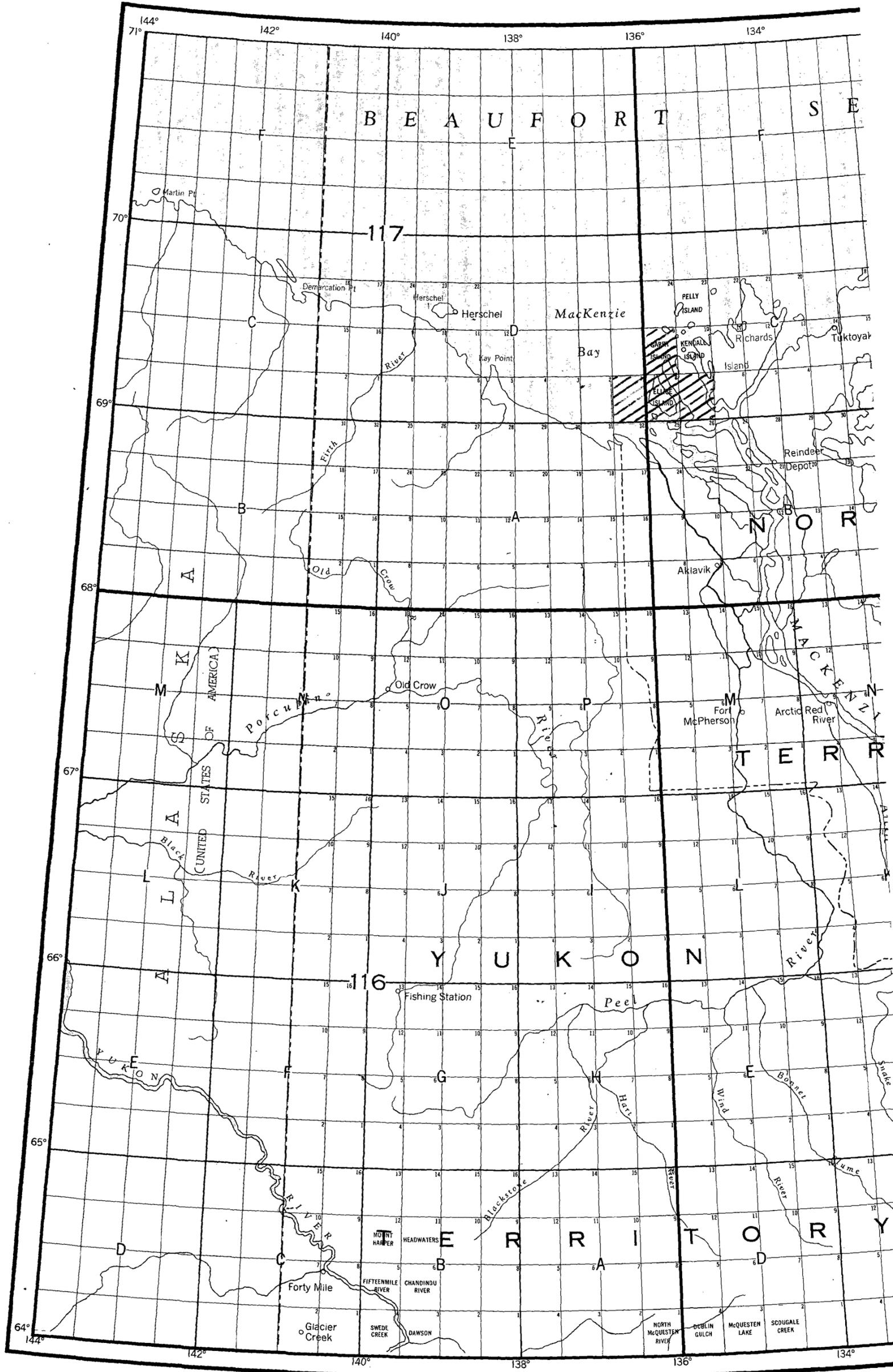
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JOINS SHEET NO. 8

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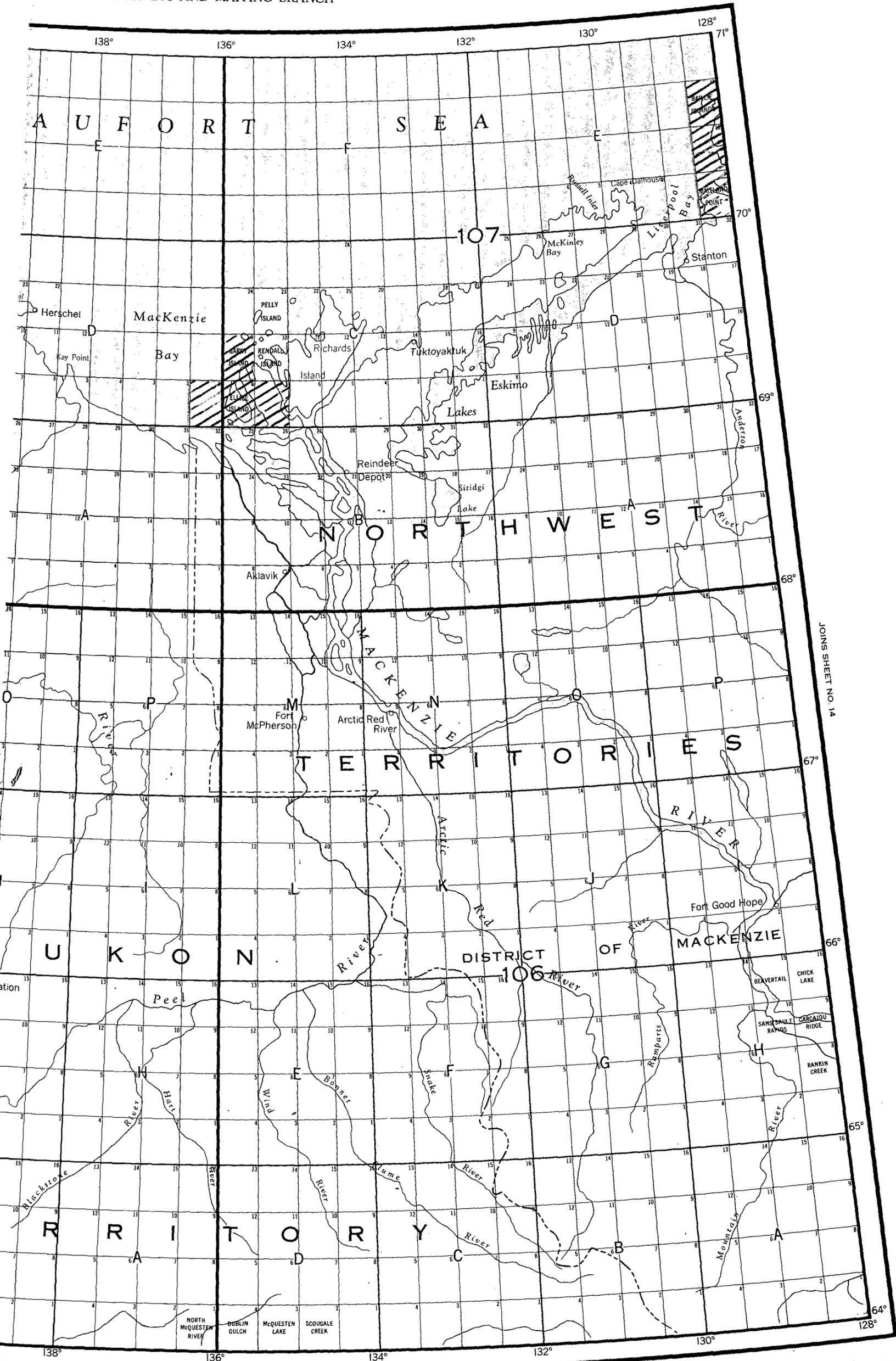
JOINS SHEET NO. 6

Maps published shown thus:

When ordering maps, the map name and number should be quoted. EXAMPLE: — SCUGALE CREEK 106 D/2

Map name..... SCUGALE CREEK
Block number..... 106
Letter..... D
Map number (1-32)..... 2

CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH

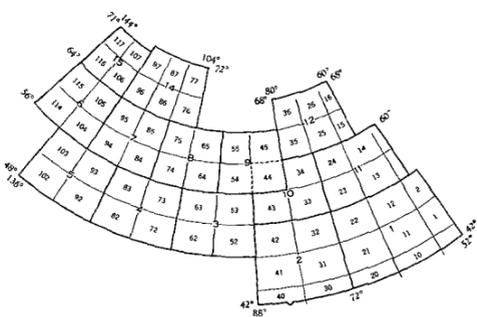


JOINS SHEET NO. 14

JOINS SHEET NO. 6

SHEET No. 15

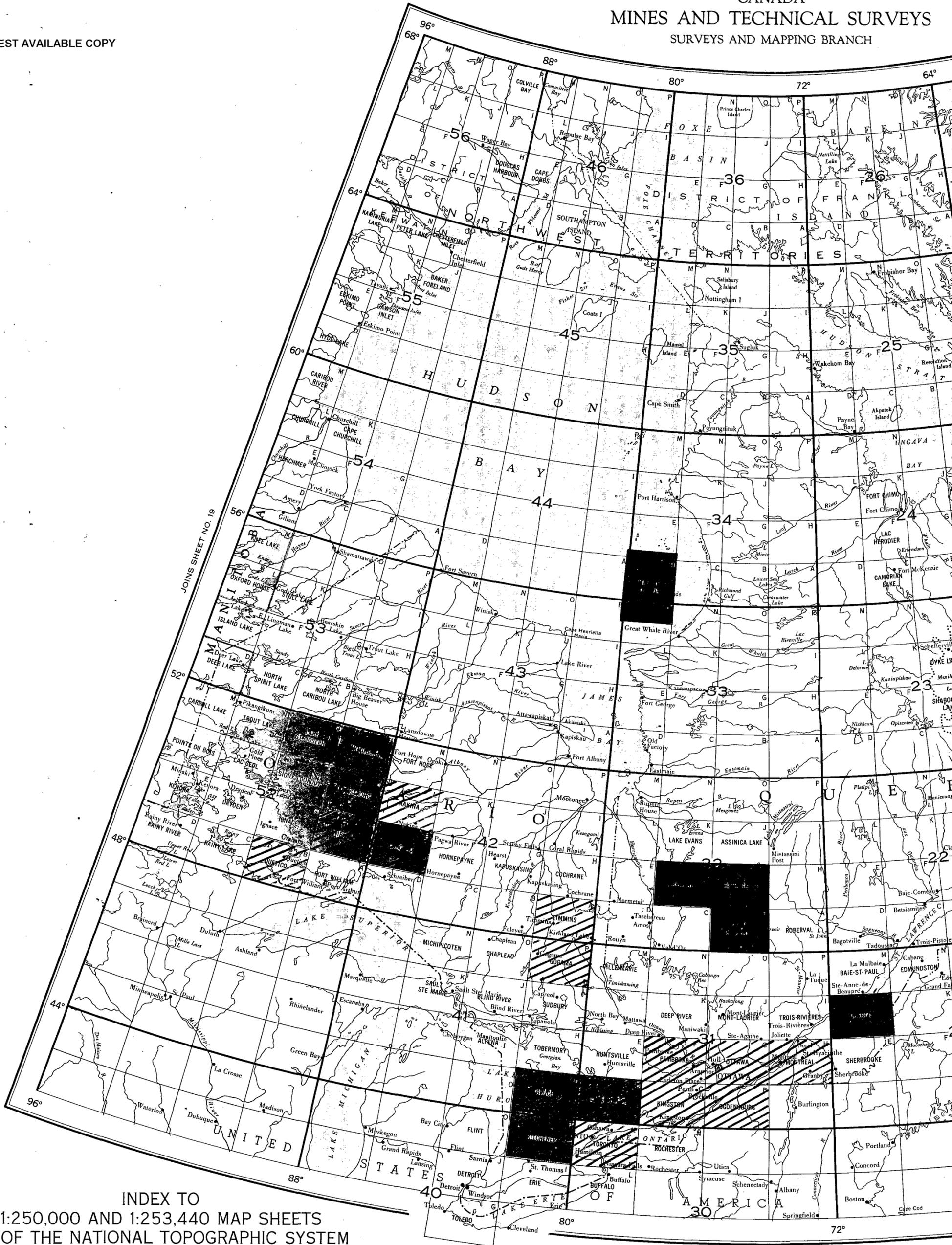
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SURVEYS AND MAPPING BRANCH

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INDEX TO
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CORRECTED TO FEBRUARY 28, 1958

When ordering maps, the map name and number should be quoted. EXAMPLE: — TORONTO 30 M

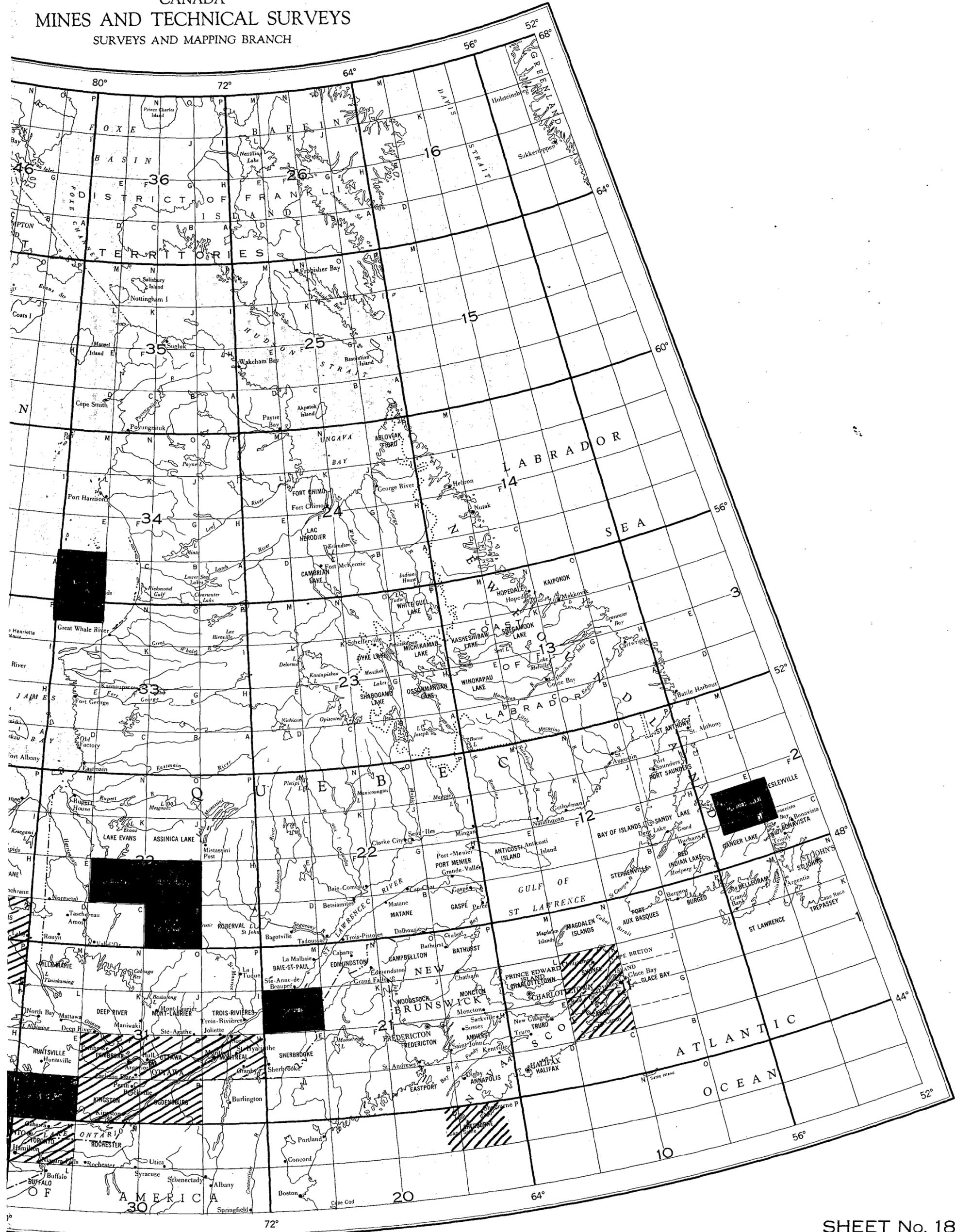
Map name.....TORONTO
Block number.....30
Letter.....M

1:250,000 Maps published shown thus
1:253,440 Maps published shown thus

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CANADA MINES AND TECHNICAL SURVEYS

SURVEYS AND MAPPING BRANCH



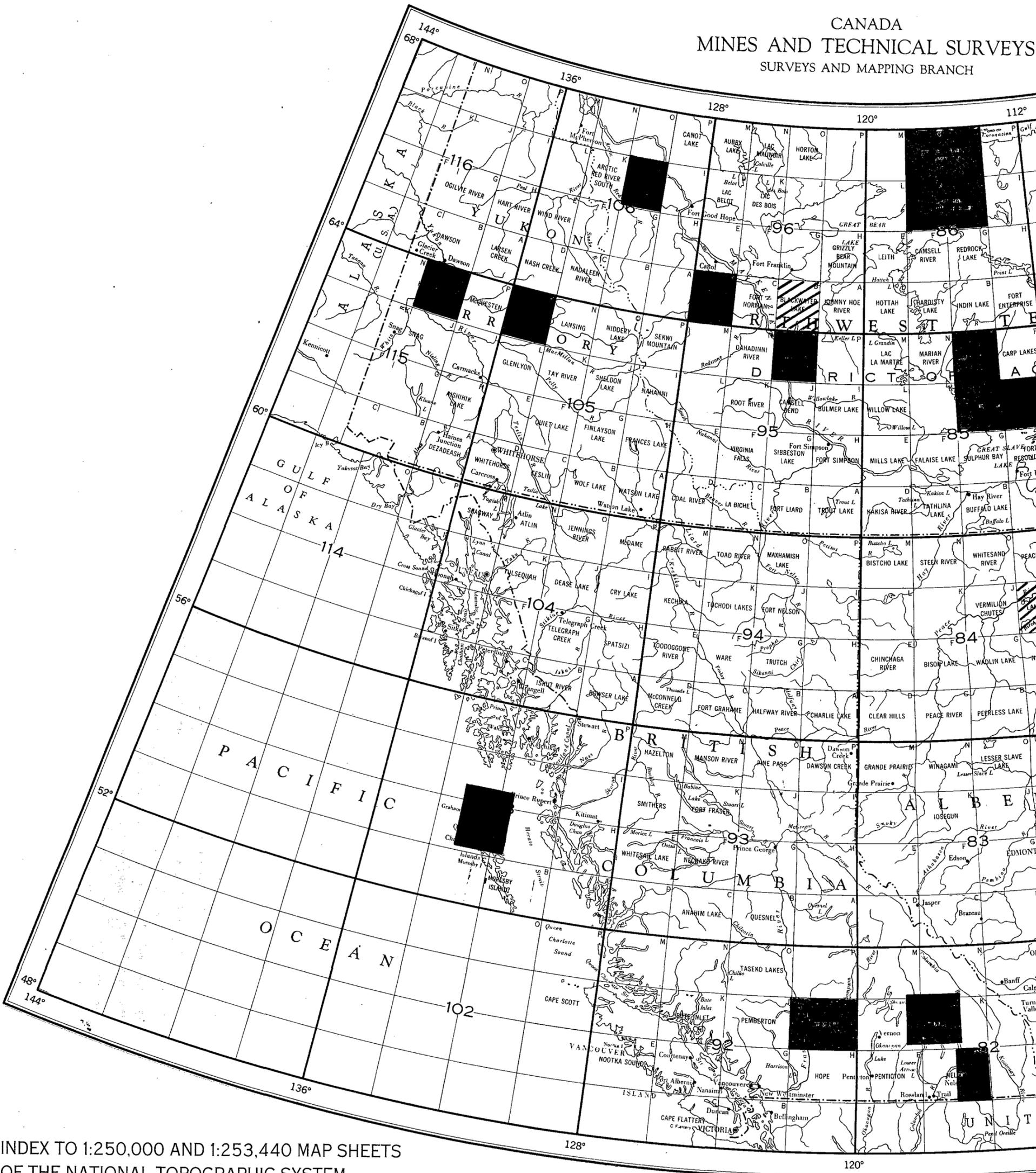
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MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH



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CORRECTED TO OCTOBER 31, 1958

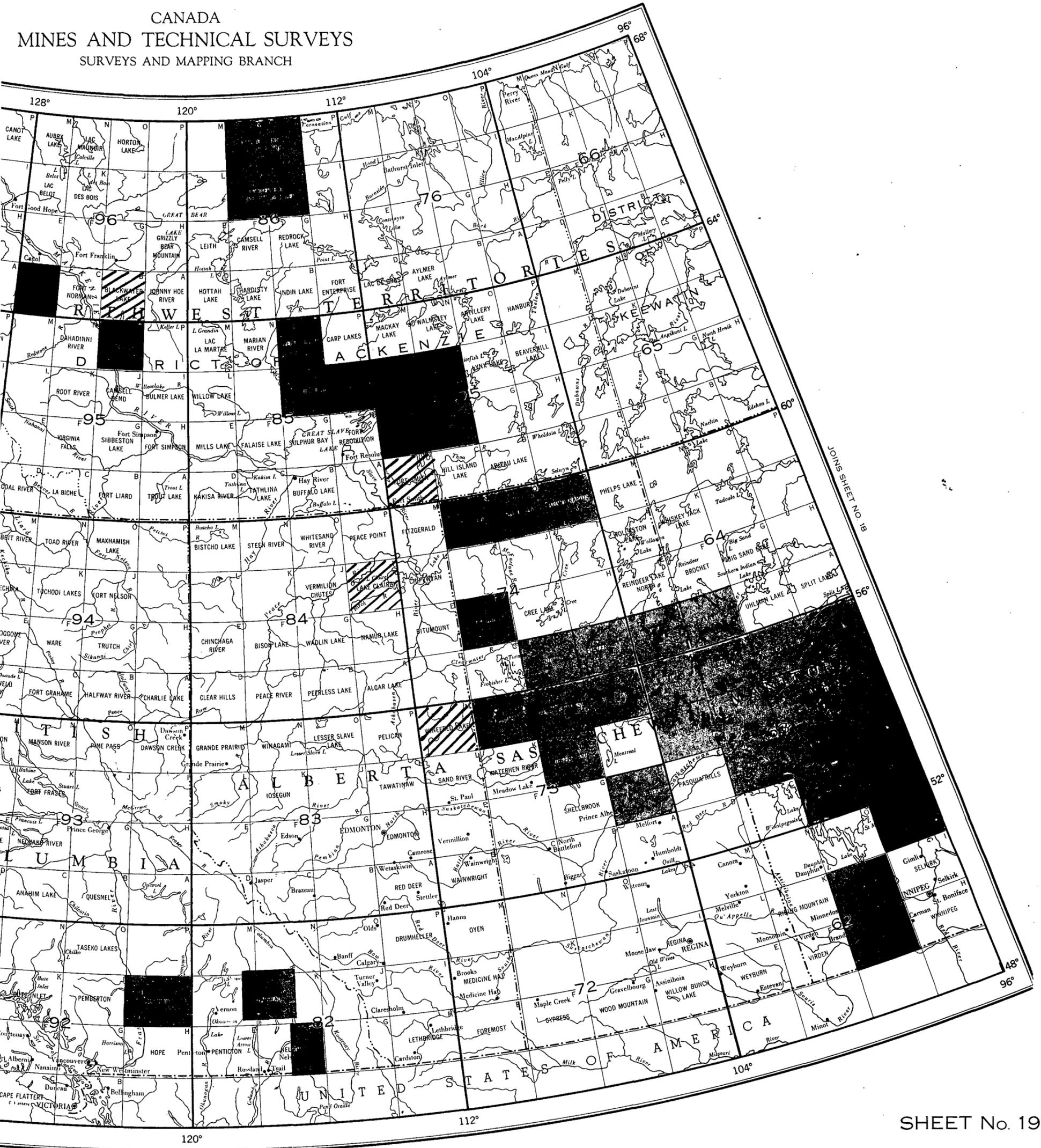
When ordering maps, the map name and number should be quoted.

EXAMPLE: — EDMONTON 83 H
Map name.....EDMONTON
Block number.....83
Letter.....H

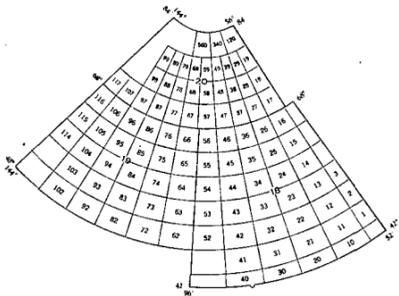
1:250,000 Maps published shown thus 
1:253,440 Maps published shown thus 

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CANADA
MINES AND TECHNICAL SURVEYS
SURVEYS AND MAPPING BRANCH



1:250,000 Maps published shown thus 
1:253,440 Maps published shown thus 



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SHEET No. 19

~~Mr. C. J. Starnes~~
Mr. C. J. Starnes
Mr. C. J. Starnes

**FOR SUBSEQUENT CORRESPONDENCE
SEE NEXT PART OF FILE**

D.I. (2) Division/E.P. Black/ab

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

DOWNGRADED TO SECRET
REDUIT A SECRET
File

TO: MIDDLE EASTERN DIVISION..... *Mr. Rettie*

Security TOP SECRET.....

FROM: DEFENCE LIAISON (2) DIVISION..... *Mr. Rettie*

Date ..October 30, 1957.....

REFERENCE:

File No.		
500 28-B-40		
43		✓

SUBJECT:..... Recent Activities in Soviet Foreign and Defence Policy.....

M-E	
1	<i>MR</i>
2	<i>MR</i>
3	<i>MR</i>
4	
5	
6	
7	
8	
9	
10	

You will recall that at a meeting convened by this Division on September 13, and attended by Mr. Rettie of your Division, it was agreed that it would be extremely useful if similar meetings to discuss Soviet, Foreign and Defence Policy were held from time to time. The reasons for this Division convening these meetings were, because of the interest expressed by the J.I.C. in being kept up to date on developments of Soviet Foreign as well as Defence Policy, and because as the Division responsible for liaison on intelligence with the Department of National Defence, we would take the responsibility for leading the discussion on recent activities relating to Soviet Defence Policy.

In view of the important developments that have taken place since the last meeting I consider that it would be useful if another meeting was held, at which the following subjects might be discussed together with any other items that your Division might consider relevant.

CIRCULATION

- (1) Soviet policy in the Middle East, particularly with regard to Turkey and Syria. To include as well a discussion of the military situation in the area at the present time. (European, Middle Eastern, and Defence Liaison (2))
- (2) Recent intelligence on the Soviet missile and Long Range Bomber programmes and the relation of these programmes to Soviet Defence Policy. (Defence Liaison (2))

DOWNGRADED TO SECRET
REDUIT A SECRET

- (3) Soviet policy at the General Assembly of the United Nations, particularly with regard to disarmament and the Middle East. (U.N. and Middle East)
- (4) The effects upon Soviet Foreign and Defence policy arising out of the dismissal of Marshal Zhukov. (European, Defence Liaison (2))
- (5) Soviet policy in Europe. (European)

I would appreciate therefore, if you would send a representative from your Division to attend this meeting in the Small Conference Room at 2:30 on Monday, November 4.

ke attended



G. G. Crean

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

DOWNGRADED TO SECRET
REDUIT A SECRET

TO:EUROPEAN DIVISION.....

SecurityTOP SECRET.....

DateOctober 30, 1957.....

FROM:DEFENCE LIAISON (2) DIVISION.....

File No.		
50028-B-40		
58	✓	✓

REFERENCE:

SUBJECT:Recent Activities in Soviet Foreign and Defence Policy.....

You will recall that at a meeting convened by this Division on September 13, and attended by Mr. Webster of your Division, it was agreed that it would be extremely useful if similar meetings to discuss Soviet, Foreign and Defence Policy were held from time to time. The reasons for this Division convening these meetings were, because of the interest expressed by the J.I.C. in being kept up to date on developments of Soviet Foreign as well as Defence Policy, and because as the Division responsible for liaison on intelligence with the Department of National Defence, we would take the responsibility for leading the discussion on recent activities relating to Soviet Defence Policy.

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- (2) Recent intelligence on the Soviet missile and Long Range Bomber programmes and the relation of these programmes to Soviet Defence Policy. (Defence Liaison (2))

5 Oct 31	
1	✓
2	
3	✓
4	✓
5	
6	
7	
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10	

*file
3 Oct 57*

CIRCULATION

*Perhaps both
Mr. Keating
Mr. Webster
could go
This will have to be
some preparation
Agg*

TOP SECRET

- 2 -

DOWNGRADED TO SECRET
REDUIT A SECRET

- (3) Soviet policy at the General Assembly of the United Nations, particularly with regard to disarmament and the Middle East. (U.N. and Middle East)
- (4) The effects upon Soviet Foreign and Defence policy arising out of the dismissal of Marshal Zhukov. (European, Defence Liaison (2))
- (5) Soviet policy in Europe. (European)

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G. G. Crean

UNITED NATIONS DIVISION

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OCTOBER 30, 1957.

DEFENCE LIAISON (2) DIVISION

50028-B-40
43

RECENT ACTIVITIES IN SOVIET FOREIGN AND DEFENCE POLICY

You will recall that at a meeting convened by this Division on September 13, and attended by Mr. Campbell of your Division, it was agreed that it would be extremely useful if similar meetings to discuss Soviet Foreign and Defence Policy were held from time to time. The reasons for this Division convening these meetings were, because of the interest expressed by the J.I.C. in being kept up to date on developments of Soviet Foreign as well as Defence Policy, and because as the Division responsible for liaison on intelligence with the Department of National Defence, we would take the responsibility for leading the discussion on recent activities relating to Soviet Defence Policy.

2. In view of the important developments that have taken place since the last meeting I consider that it would be useful if another meeting was held, at which the following subjects might be discussed together with any other items that your Division might consider relevant.

- (1) Soviet policy in the Middle East, particularly with regard to Turkey and Syria. To include as well a discussion of the military situation in the area at the present time. (European, Middle Eastern, and Defence Liaison (2);

.... /2

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- (2) Recent intelligence on the Soviet missile and Long Range Bomber programmes and the relation of these programmes to Soviet Defence Policy. (Defence Liaison (2);
- (3) Soviet policy at the General Assembly of the United Nations, particularly with regard to disarmament and the Middle East. (U.N. and Middle East);
- (4) The effects upon Soviet Foreign and Defence Policy arising out of the dismissal of Marshal Zhukov. (European, Defence Liaison (2);
- (5) Soviet policy in Europe. (European).

I would appreciate therefore, if you would send a representative from your Division to attend this meeting in the Small Conference Room at 2:30 on Monday, November 4.

Defence Liaison (2) Division

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

M. McParland
you summed up our last
man for this. @ 10
you attend to it

TO: DEFENCE LIAISON (1) DIVISION *Parley*

FROM: DEFENCE LIAISON (2) DIVISION *Sam*

REFERENCE:

SUBJECT: Recent Activities in Soviet Foreign and Defence Policy

Date October 30, 1957

File No.		
50028-B-40		
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Last September 13, this Division convened a meeting of representatives from European, Middle Eastern and United Nations Divisions to discuss recent aspects of Soviet Activity in the Political and Defence fields. The objective of this meeting was to try and come to some decision as to whether or not there had been any substantial changes in recent months in Soviet Foreign and/or Defence Policy.

At that time it was the consensus of opinion at the meeting that with regard to

Defence

It was agreed that the activities in the defence field were in line with expected developments in Soviet capabilities and indicated the increase in defence and defence research.

Disarmament

The Soviet Union was probably serious about attempting to come to some agreement when the talks began, but there had been a change at least in Soviet tactics sometime between early July and mid-August, the reasons for which might become clearer during the debate in the General Assembly of the United Nations.

Middle East

Soviet policy in this area could be described as a resolute

CIRCULATION

and skilful determination to exploit any development to improve the Soviet position at the expense of the Western Powers. The situation in the Middle East was fluid, and it was not yet precisely clear what Soviet objectives were, or how great were the risks which the Soviet Union was prepared to incur.

Europe

The Soviet Union was still preoccupied with the problems arising out of its relations with the countries of Eastern Europe and seemed for the present to be content to preserve the status quo in Europe as a whole. There seemed little likelihood of any early change in Soviet policy with regard to Germany.

It was also agreed that it would be useful if similar meetings could be held in future on a more or less regular basis, and to include other interested Divisions such as your own. The reasons for this Division convening these meetings were, because of the interest expressed by the J.I.C. in being kept up to date on developments of Soviet Foreign as well as Defence Policy, and because as the Division responsible for liaison on intelligence with the Department of National Defence, we would take the responsibility for leading the discussion on recent activities relating to Soviet Defence Policy.

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- (2) Recent intelligence on the Soviet missile and Long Range Bomber programmes and the relation of these programmes to Soviet Defence Policy. (Defence Liaison (2))
- (3) Soviet policy at the General Assembly of the United Nations, particularly with regard to disarmament and the Middle East. (U.N. and Middle East)

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- (4) The effects upon Soviet Foreign and Defence policy arising out of the dismissal of Marshal Zhukov. (European, Defence Liaison (2))
- (5) Soviet policy in Europe. (European)

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G. G. Crean

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

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TO: FAR EASTERN DIVISION *ER*

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FROM: DEFENCE LIAISON (2) DIVISION

Date October 30, 1957

REFERENCE:

File No.		
50028-B-40		
43		✓

SUBJECT: Recent Activities in Soviet Foreign and Defence Policy

*My name handwritten
file 47B*

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Disarmament

CIRCULATION

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Middle East

Soviet policy in this area could be described as a resolute and skilful determination to exploit any development to

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- (2) Recent intelligence on the Soviet missile and Long Range Bomber programmes and the relation of these programmes to Soviet Defence Policy. (Defence Liaison (2))
- (3) Soviet policy at the General Assembly of the United Nations, particularly with regard to disarmament and the Middle East. (U.N. and Middle East)
- (4) The effects upon Soviet Foreign and Defence policy

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arising out of the dismissal of Marshal Zhukov.
(European, Defence Liaison (2))

(5) Soviet policy in Europe. (European)

I would appreciate therefore, if you would send a representative from your Division to attend this meeting in the Small Conference Room at 2:30 on Monday, November 4.


G. G. Crean

IN REPLY PLEASE QUOTE
No. CSC 1462-1 (JIC)



Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

~~5002-B-F-1-40~~
16 Oct 57 *70* | *50*

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G.G. Crean, Esq.,
Dept. of External Affairs.

9 27

Def. S. R. →
Pls. refile
on 50028-B-40
P.T. &
D.L. (1)
Dir.
21-10-57

Travel Restrictions in the USSR

1. Reference is made to your 50132-13-40 dated 5 Oct 57 enclosing a copy of Letter No. 945 from the Canadian Embassy, Moscow, with regard to travel restrictions in the USSR.

2. Directorates were requested, under CSC 1462-1 (JIC) of 7 Oct, to express any views they may have on the travel ban mentioned by the Canadian Ambassador. The following replies were received:

Mr. Galtin: was you a Mr. Johnston and Mr. Black handle jointly, I believe! / 2
Looking into this!
Just
24/10
Oct 18

(a) D/JIB

As attempts to visit Tiflis and Baku were refused, while travel to the Tashkent area was approved during the period in question, it is suggested that army manoeuvres and/or air exercises in the Caucasus area may account for the ban. In the circumstances, it would appear unlikely that there is any association between the ban and the testing of ICBM's.

Letter to Moscow, 8
attached by to London
Pls. refile
PKD
DL
24/10
Done
Oct. 24/57
AB

(b) DMI

This Directorate has no information which would account for the ban on travel in the Caucasus area, but it is suggested that one or a combination of the following may be related to the ban:

- (i) Guided missile trials or nuclear tests;
- (ii) A reorganization of ground forces such as is in progress in GSFG;
- (iii) Special construction activities in the Caucasus Mountains connected with the tension in the Middle East, and
- (iv) Regrouping of forces in the area of the Transcaucas Military District as a result of the tension in the Middle East.

We agree with para. 2 of the Ambassador's letter that this ban has no connection with hydrogen bomb explosion since it was conducted in the Arctic Circle. However, we are also interested in the TASS communique which implies that hydrogen bomb tests were carried out with army participation. This is all the more significant in view of Marshal Zhukov's very recent statement in Belgrade to the effect that the armed forces now have ICBM's.

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We are not aware of any significant troop movements inside the USSR which would indicate any degree of army participation in the nuclear tests. However, it is quite possible that small bodies of troops were used whose movements would not be detected.


(G.P. Hartling)
Major,
Secretary.

GPH/2-5459/ff

c.c. DMI
DAI
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RCMP
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CB NRC
JIS(5)
SO/JIR

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IN REPLY PLEASE QUOTE
NO. CSC 2-1-3 (JIC)



Department of National Defence

CONFIDENTIAL

JOINT INTELLIGENCE COMMITTEE

PERSONAL AND
URGENT

16 Oct 57

50078-B-40	
58	

MEMORANDUM FOR THE JIC:

Special Meeting of the JIC

1. Reference is made to memorandum on this file dated 15 Oct 57.
2. The meeting of the Committee to review a draft JIC paper on the status of Soviet bomber and missile production will be held at 1430 hours, Thursday, 17 Oct 57.

G.P. Hartling
 (G.P. Hartling)
 Major,
 Secretary.

GPH/2-5459/ff

- c.c. CJS
 D/CJS
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 JIS(5)
 SO/JIR
 JICLO(W)

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IN REPLY PLEASE QUOTE

CSC 2-1-3 (JIC)

Department of National Defence

CONFIDENTIAL

JOINT INTELLIGENCE COMMITTEE

PERSONAL AND URGENT

15 Oct 57

*File
H/*

MEMORANDUM FOR THE JIC:

Special Meeting of the JIC

1. Members are advised that a meeting of the Committee will be held at either 1100 hours or 1500 hours on Thursday, 17 Oct 57.
2. The purpose of the meeting will be to review a draft JIC paper covering the status of Soviet bomber and missile production. This paper has been requested by the Chiefs of Staff.
3. The exact time that the meeting will be held will be notified later. It will depend on the time that the draft paper is available for study by members.
4. As the above item will be the only one considered at this meeting, no agenda will be prepared.

G.P. Hartling
 (G.P. Hartling)
 Major,
 Secretary.

GPH/2-5459/ff

- c.c. CJS
 D/CJS
 CB NRC
 JIS(5)
 SO/JIR
 JICLO(W)

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

DOWNGRADED TO SECRET
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TO: Defence Liaison (2) Division

Security TOP SECRET

Date October 15, 1957

FROM: United Nations Division

File No.		
50028 - B - 40		
43		✓

REFERENCE: Your Memo of October 8, 1957

SUBJECT: Recent Activities in Soviet Foreign and Defence Policy

5-45

I agree that it would be useful to hold further meetings of the kind reported in the Minute forwarded with your memorandum. I also agree that it would be appropriate for your Division to convene such meetings.

[Signature]
United Nations Division

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OCT 16 1957

[Handwritten notes]
gus
Adre

CIRCULATION

D.L. (2) / E.P. BLACK / W
DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

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TO: MIDDLE EASTERN DIVISION

Security TOP SECRET

Date October 8, 1957.

FROM: DEFENCE LIAISON (2) DIVISION

File No. 50028-A-110		
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REFERENCE:

SUBJECT: RECENT ACTIVITIES IN SOVIET FOREIGN AND DEFENCE POLICY

I am enclosing a copy of a minute of a meeting held on September 13 between representatives of European, Middle Eastern, United Nations, and this Division, to discuss recent activities in Soviet foreign and defence policy. The meeting came to the general conclusions that:

"Recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the situation that existed in Europe before the Polish and Hungarian crises."

plans

2. With regard to the last paragraph of the minute, this Division will be responsible, if you agree, for calling similar meetings from time to time to discuss Soviet activity in the political and defence fields.

*We agreed orally some time ago.
E.L.
ME Div.*

[Signature]
(Signed) G. G. CREAM.

Defence Liaison (2) Division

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file

CIRCULATION
Similar Memo to:
-European
-United Nations
C.C for Info. to:
-Far Eastern
-D.L. (1)

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T O P S E C R E T

October 7, 1957.

Recent Activities in Soviet Foreign and Defence Policy

MINUTES:

A meeting was held on September 13, 1957,
attended by:

Mr. Southam	-	Defence Liaison (2) Division
Mr. Black		
Mr. Webster	-	European Division
Mr. Rettie	-	Middle Eastern Division
Mr. Campbell	-	United Nations Division

Mr. Southam informed the meeting that as a result of the recent Soviet announcement of the firing of an inter-continental ballistic missile, the Joint Intelligence Committee had prepared a technical paper on the missile itself which had been seen by senior officers of the Department and the Prime Minister. He went on to say that Defence Liaison (2) Division had, at the same time, considered that in view of this Soviet announcement and various other aspects of Soviet activity in the political and defence fields an examination should be undertaken of recent Soviet moves. The objective of this meeting was to try to come to some decision as to whether or not there had been any substantial changes in recent months in Soviet foreign and/or defence policy. At the same time the Intelligence Directorates were to examine Soviet activity in the defence field along with the same objective in view. The Joint Intelligence Committee would review our findings and theirs and might then produce a short paper on the subject if it considered one to be necessary.

2. The meeting then went on to discuss the following matters:

- (1) The reasons for the Soviet announcement of the firing of an inter-continental ballistic missile.
- (2) The increasing Soviet capacity to produce operational nuclear weapons and the continuation of Soviet nuclear tests.
- (3) Soviet naval activity which has included in recent months a large number of naval exercises, greater movement and showing of the flag by Soviet naval vessels, the recent public warnings of large naval manoeuvres in the Kara-Barents Sea area and a substantial increase in submarine activity.

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- (4) Soviet air activity including the increased capability of the Long-Range Air Force, increased training in Arctic flying, and recent large air defence exercises.
- (5) Soviet military activity including the present reorganization of the Soviet Army in East Germany designed to reduce numbers while at the same time increasing fire power and mobility, as well as the recent exercise in East Germany in which for the first time Soviet and East German forces participated together.
- (6) The recent breakdown in the London disarmament talks.
- (7) Soviet policy in the Middle East including the recent note to the Western Powers, the Soviet attitude towards events in Syria, and the continuation of Soviet Bloc arms shipments to Egypt, Syria and the Yemen.
- (8) Soviet policy in Europe including the warnings to various of the NATO powers, the recent note concerning Germany, and Khrushchov's visit to East Germany.

3. In general the meeting considered that with regard to

Defence

It was agreed that the activities in the defence field were in line with expected developments in Soviet capabilities and indicated the increase in defence and defence research.

Disarmament

The Soviet Union was probably serious about attempting to come to some agreement when the talks began, but there had been a change at least in Soviet tactics sometime between early July and mid-August, the reasons for which might become clearer during the debate in the General Assembly of the United Nations.

Middle East

Soviet policy in this area could be described as a resolute and skilful determination to exploit any development to improve the Soviet position at the expense of the Western Powers. The situation in the Middle East was fluid, and it was not yet precisely clear what Soviet objectives were, or how great were the risks which the Soviet Union was prepared to incur.

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Europe

The Soviet Union was still preoccupied with the problems arising out of its relations with the countries of Eastern Europe and seemed for the present to be content to preserve the status quo in Europe as a whole. There seemed little likelihood of any early change in Soviet policy with regard to Germany.

4. The meeting came to the general conclusion that recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the situation that existed in Europe before the Polish and Hungarian crises.

5. Mr. Rottie suggested that it would be useful if further meetings of this type could be held from time to time (perhaps once a month) at which recent Soviet activity in the political and defence fields might be discussed. As there was general support for this suggestion, Mr. Southam said that Defence Liaison (2) Division would be glad to convene such meetings, should the Heads of the Divisions concerned agree that they should be held.

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D.L. (2)/B.P. BLACK/VS
DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

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TO: UNITED NATIONS DIVISION

Security TOP SECRET

FROM: DEFENCE LIAISON (2) DIVISION

Date October 8, 1957.

REFERENCE:

File No. 500 28-A-40		
43		✓

SUBJECT: RECENT ACTIVITIES IN SOVIET FOREIGN AND DEFENCE POLICY

Copy Div's 50146-40

Arifon's 50128-40

Mr Summers: I found this discussion very helpful and think the proposal in para 5 is a useful one with reasonably regular meetings. We might all get the benefit of asking DL (2) to put topics on the "agenda". I would only hope that the kind of discussions recorded in para 3 would not limit specific policies

I am enclosing a copy of a minute of a meeting held on September 13 between representatives of European, Middle Eastern, United Nations, and this Division, to discuss recent activities in Soviet foreign and defence policy. The meeting came to the general conclusions that:

"Recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the situation that existed in Europe before the Polish and Hungarian crises."

2. With regard to the last paragraph of the minute, this Division will be responsible, if you agree, for calling similar meetings from time to time to discuss Soviet activity in the political and defence fields.

Yes

- CIRCULATION
- Similar Memo. to:
 - European
 - Middle Eastern
 - c.c. for info. to:
 - Far Eastern
 - D.L. (1)

(Signed) G. G. CREAN.

Defence Liaison (2) Division

D.L. (2) / E.P. BLACK / VW

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

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TO: EUROPEAN DIVISION

Security TOP SECRET

Date October 8, 1957.

FROM: DEFENCE LIAISON (2) DIVISION

File No.		
50028-B-40		
43		✓

REFERENCE:

SUBJECT: RECENT ACTIVITIES IN SOVIET FOREIGN AND DEFENCE POLICY

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This does not seem to reflect my views over a long period of time
11/24/57 JH

Recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the situation that existed in Europe before the Polish and Hungarian crises."

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CIRCULATION
Similar Memo.
to:
-Middle Eastern
-United Nations

c.c. for info.
to:
-Far Eastern
-D.L. (1)

[Signature]
Defence Liaison (2) Division

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T O P S E C R E T

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October 7, 1957.

Recent Activities in Soviet Foreign and Defence Policy

MINUTES:

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attended by:

Mr. Southam	-	Defence Liaison (2) Division
Mr. Black	-	
Mr. Webster	-	European Division
Mr. Rettie	-	Middle Eastern Division
Mr. Campbell	-	United Nations Division

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Europe

The Soviet Union was still preoccupied with the problems arising out of its relations with the countries of Eastern Europe and seemed for the present to be content to preserve the status quo in Europe as a whole. There seemed little likelihood of any early change in Soviet policy with regard to Germany.

4. The meeting came to the general conclusion that recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the situation that existed in Europe before the Polish and Hungarian crises.

5. Mr. Rettie suggested that it would be useful if further meetings of this type could be held from time to time (perhaps once a month) at which recent Soviet activity in the political and defence fields might be discussed. As there was general support for this suggestion, Mr. Southam said that Defence Liaison (2) Division would be glad to convene such meetings, should the Heads of the Divisions concerned agree that they should be held.

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D.L.(2) DIVISION/E.P.BLACK/VW

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50028-B-40

Ottawa, October 8, 1957.

Major G.P. Hartling,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Room 4441, "A" Building,
O t t a w a.

With reference to the decision of the 561st meeting of the Joint Intelligence Committee that a summary of Soviet service exercises and political moves during this year would be considered by the Committee, I am enclosing a copy of a minute of a meeting held in the Department of External Affairs on September 13 between representatives of the European, Middle Eastern, United Nations and Defence Liaison (2) Divisions.

*Done
Oct. 8/57
vw.*

I would appreciate it if you would circulate a copy of this minute to the members of the Committee.

(Signed) G. G. CREAN,

G.G. Crean
Defence Liaison (2) Division

Encl. 1



Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

J40

7 Oct 57

50021-B-40
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Summary of Soviet Exercises

1. Contributions to a summary of major Soviet exercises conducted during 1957 have been submitted by Directorates as requested in CSC 7-17 (JIC) of 16 Sep 57.

2. In order to make a proper assessment and establish any trends in these exercises, it is necessary to compare 1957 activities with those of 1956.

3. It is therefore requested that a brief note on exercises conducted by Soviet armed forces in 1956 be submitted to the Secretary JIC by 14 Oct 57. A detailed list is not required, but views on trends in Soviet armed forces exercises during 1956 and 1957 would be welcome.

OCT 7 1957

[Handwritten signature]
JHT
25/9

(G.P. Hartling)
Major,
Secretary.

JHT/2-5459/ff

c.c. Mr. G.G. Crean
Dept. of External Affairs.

DSI
RCMP
JIB
CB NRC
JIS(5)

10-10-57
I spoke to
Mr. Brown of
Def. S.R. He's
like copies of
the report
memo 1/2.

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DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

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TO: D. L. (2) Division

Security .. TOP SECRET

FROM: European Division

Date October 1, 1957

REFERENCE: Your memorandum of September 23

File No. 50028-B-40		
13		✓

SUBJECT: Soviet Foreign and Defence Policy

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I do not entirely agree with the formulations of the consensus of the meeting as recorded in your memo and would suggest amendments along the following lines to incorporate the views of this Division.

a) Disarmament:

It is probable that the Soviet Union genuinely desires some measure of disarmament, but is not yet ready to take any major step. At some time between mid-July and mid-August, negotiations appear to have reached a point at which the Soviet government felt it could go no farther at this time.

b) Middle East:

Change the last sentence to the following effect: "The situation in the Middle East was fluid, and it was not yet precisely clear what Soviet objectives were, or how great were the risks which the Soviet Union was prepared to incur."

c) Europe:

Substitute the following: "The Soviet Union was still exercised by the problems of restoring unity of purpose in Eastern Europe and seemed for the present to be content with an effort to preserve the status quo in Europe as a whole. There seemed little likelihood of any early change in its policy with regard to Germany."

UN Div has already made

OCT 2 1957

fluck

agreed

CIRCULATION

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d) Para 4:

*in para
our working*

Substitute: "The meeting came to the general conclusion that recent Soviet activities did not seem to reflect any radical change in foreign policy, but indicated an effort to cleave to established lines and positions, against a background of increasing defensive capabilities and some further Soviet progress in the Middle East."

2. I would welcome such meetings on, say, a monthly basis, since these help political officers to see current trends in defence policy as a whole and to consider these in the light of political and other trends.

[Signature]
European Division

000720

D. L. (2) Div./E. P. Black/rh
DEPARTMENT OF EXTERNAL AFFAIRS

*Mrs. Walker
JWB.*

*File
EK.*

MEMORANDUM

TO: MIDDLE EASTERN DIVISION.....

Security **SECRET**.....

FROM: DEFENCE LIAISON (2) DIVISION.....

Date **September 26, 1957**

REFERENCE:

File No.		
50028-B-40		
43		✓

SUBJECT: Sino-Soviet Bloc Economic Activities in the Under-Developed Areas Since Early 1956.

I am enclosing a copy of JIC 240/2(57), September 3, 1957 regarding "Sino-Soviet Bloc Economic Activities in the Under-Developed Areas Since Early 1956". This paper discusses activities in Sino-Soviet Bloc penetration that have taken place since the previous JIC paper on this subject, JIC 181/1(56). The enclosed copy of this JIC paper is for retention in your Division.

[Signature]
DEFENCE LIAISON (2) DIVISION

CIRCULATION

- Economic Div.
- European Div.
- ~~Middle Eastern~~
- ~~XXXX~~
- Far Eastern Div.
- Commonwealth Div.
- American Div.
- J.N. Div.

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COPY NO. 95

S E C R E T

JIC 240/2(57)
dated 3 Sep 57

SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN THE UNDER-DEVELOPED AREAS SINCE EARLY 1956

Object

1. To review the nature and extent of Sino-Soviet Bloc economic activities in the under-developed areas since early 1956* and to assess their significance.

Introduction

2. One of the most significant aspects of the present foreign economic policy of the Sino-Soviet Bloc is its programme of economic penetration of the under-developed areas of the Middle East, South and South-East Asia, Africa and Latin America.

3. In the previous paper, (JIC 181/1(56)), we examined in detail the economic and political factors which led to the adoption of the programme and assessed its general nature and scope.

4. In this paper we shall first summarize the background and outline the general characteristics of the programme. We shall then deal with developments in the programme from early 1956 to the end of July 1957, examine the degree of its success or failure and assess its implications for the future.

Summary and Conclusions

5. The Sino-Soviet Bloc programme of economic and technical penetration, which is now an established part of Bloc foreign policy, continued during the past year to be concentrated on selected under-developed countries. The programme developed along established lines, combining trade expansion with generous offers of economic aid, arms credits, technical and scientific assistance and improved communications.

6. Since the inception of the programme, the Bloc has extended to under-developed countries nearly \$1.2 billion in economic credits (excluding credits for arms). New loans and credits extended by the Bloc during 1956 and to date in 1957 amounted to almost \$650 million. The bulk of these were large-scale developmental credits to Yugoslavia, India and Indonesia.

7. With respect to the implementation of this programme, it is estimated that by the end of 1957 actual deliveries, or the extent to which economic credits will have been drawn on, can be valued at somewhat less than \$300 million, excluding arms. Of this figure actual deliveries and/or expenditures during 1957 may be of the order of \$200 million.

8. Arms credits to date are estimated at some \$350 million, \$100 million of which were extended during 1956 and 1957. Egypt and Syria

* JIC 181/1(56) discussed activities up till this date.

have continued to be the main recipients but deliveries are also being made to Afghanistan, and the Yemen. The Soviet Union has assumed a more prominent role in the supply of arms, which are usually delivered promptly.

9. It is estimated that, over the next five years, actual deliveries or implementation of Bloc credits may not greatly exceed \$200 million per year excluding arms. This figure will represent less than one-tenth of 1% of the annual output of goods and services of the Soviet Bloc and less than one-half of 1% of Bloc heavy industrial and capital goods production. Many of the larger credits under the present programme will not be made available until the early 1960's.

10. There has been a continued increase in Bloc trade with under-developed countries. Trade returns for 1956 showed a small increase over 1955, with declines in Latin America being more than offset by increases in South and South East Asia, the Middle East and Yugoslavia. Bloc trade with South and South East Asia increased 50% over previous years, over half of which was accounted for by China. New shipping and civil aviation services are being established with under-developed countries.

11. One of the most important features of the Bloc programme during 1956 has been the expansion and intensification of technical and scientific aid. Some 1,400 Bloc specialists have been sent to under-developed countries, and 1,200 foreign nationals have gone to Bloc countries for training during the year. India and Egypt have figured most prominently in this exchange.

12. Soviet efforts to capitalize on their considerable progress in nuclear research have been extensive. The USSR has been making available increasing amounts of information on the peaceful uses of atomic energy and has established a high-level body to facilitate cooperation with other countries. Atomic reactors and other equipment are being delivered to Yugoslavia and Egypt.

13. Despite large commitments to the Satellites since November 1956, it is estimated that the goods and services already contracted for delivery to under-developed countries during 1957 will be well within Soviet capabilities and that new offers of Soviet credit will not be affected in the long run.

14. In view of the economic situation in the Satellites, it is unlikely that they will be in a position to extend any substantial credits in the near future, although it may be expected they will endeavour to expand their trade relations with the under-developed areas.

15. China's trade with South and South East Asia is likely to continue to increase although China's ability to extend loans and credits will be severely limited by domestic requirements for many years.

16. With the appointment of Pervukhin as chairman of the reorganized Soviet State Committee for Foreign Economic Relations in July it may be expected that the Soviet programme of economic and technical penetration of under-developed countries which seemed to have slackened temporarily in the first half of 1957 will be given a fresh impetus.

DISCUSSION

Background of Programme

17. The programme of economic and technical penetration in under-developed areas is now an established part of Soviet foreign policy. The main emphasis of the programme is placed on penetration of the under-developed and "uncommitted" countries. The under-developed areas are fairly susceptible to this method of approach since they are committed to ambitious

plans for industrial development and eager for help with their economic planning. In addition to this, they are short of foreign currency and investment capital. Some countries are anxious to receive economic aid from whatever source they can, so long as this aid does not involve them in military alliances with one or the other of the big power blocs. Other countries, such as Egypt and Syria, are involved in disputes which have interfered with receipt of aid from the West. Still others, such as Burma, were vulnerable because of a temporary surplus of exportable commodities. For one reason or another, many under-developed countries are prepared to accept Sino-Soviet Bloc aid and the Bloc, therefore, is in an advantageous position to use economic weapons to further its political objectives.

18. There is no doubt that, from the point of view of the Bloc itself, the economic offensive has sound economic as well as political motives. The Soviet Union has invested at such a high rate over a number of years in heavy industrial production that it is now in a position profitably to export certain lines of capital equipment in return for agricultural products (food and light industrial raw materials). Beginning in the summer of 1953, it has been Soviet government policy to increase the domestic supply of food and consumer goods, at least temporarily, by imports from outside the Sino-Soviet Bloc. The Satellites had even stronger economic motives since they were short of many industrial raw materials as well and were suffering from a serious imbalance in their national economies. Moreover, many of the Satellites had had extensive pre-war trading connections outside the Soviet Bloc.

Characteristics of Programme

19. The main characteristics of the programme had already become apparent in 1954 and 1955. The trade drive was pursued with vigour by the signing of new Trade and Payments Agreements on a bilateral basis, covering periods of from one to five years. The signature of new agreements was accompanied by exchange of high-level delegations, by establishing Bloc pavilions at International Trade Fairs and by individual industrial exhibits put on by Bloc countries. Offers of trade and economic aid, represented as being without political or military strings, were made to various countries. Offers of economic aid were first made to countries, which were most likely to accept them, on favourable credit terms and for well publicized projects. Technical assistance was promised not only in the installation of industrial plants but also in the training of scientists and technicians either in the Soviet Union or on the spot. A small but important part of Soviet technical assistance has been channelled through the United Nations' Technical Assistance Programme. Technical aid and training were also supplied in the military field in connection with the delivery of arms.

Nature and Scope of the Programme in 1956

20. Probably the most interesting fact about the Soviet programme of economic and technical penetration is how relatively little it has been affected by the major political events of 1956. Throughout most of 1956 the programme continued along familiar lines, becoming, if anything, more concentrated in the Middle East and South and South East Asia.

21. The Hungarian crisis has had some effect in the new loans and credits which had been extended to Yugoslavia earlier in the year have been postponed for three years as a result of Yugoslavia's attitude towards Soviet intervention in Hungary. Elsewhere the reaction to Soviet intervention in Hungary does not appear to have had any effect on the readiness of under-developed countries to accept Soviet trade or aid.

22. Despite the November crisis in the Middle East the Soviet programme seems to have continued at about the same level. After an early Soviet hesitation in providing continued support for Egypt, the USSR soon

resumed shipments of arms to the area with growing emphasis on shipments to Syria. During the closure of the Suez Canal, Egypt relied almost entirely on the USSR for essential deliveries of wheat and petroleum.

23. In general, however, the 1956 Soviet programme was marked by increased trade with the Middle East and Asia, accompanied by a marked decline in trade with Latin America. Arms agreements were signed with Syria, Yeman and Afghanistan as well as Egypt. New loans and credits were extended on a large scale, particularly to Yugoslavia, India and Indonesia. A significant advance occurred in the provision of technical training, both civilian and military. Particular attention was also paid to some members of NATO and the Baghdad Pact and SEATO, but with less success to date.

24. The following paragraphs attempt to summarize developments in trade, including trade promotion and improved communications, loans and credits, arms deals and technical aid. A more detailed discussion by areas and by individual countries will be found in Appendix "A". Available statistics on trade and estimates of economic aid are set out in Appendix "B".

Trade

25. A preliminary estimate puts the total value of Sino-Soviet Bloc trade with the under-developed countries outside Europe in 1956 at \$1.2 billion, slightly higher than the 1955 figure of nearly \$1.1 billion. Trade with the Middle East increased during 1956, though at a slower rate than in the previous year, to an estimated \$450 million, excluding arms. Quantitatively, Bloc trade was most important for Egypt and Turkey, the Satellites being the largest trading partners. However, after the Suez crisis, Egypt and Syria came to rely more heavily on the Soviet Union for essential supplies and as an export market, a development that was not clearly reflected in the trade statistics. The next most important areas were South and South East Asia, which traded with the Bloc at the rate of \$420 million per year in 1956, a 50% increase over 1955. China's trade accounted for more than half that of the whole Bloc, with the Soviet Union ranking second. Trade with Latin America, on the other hand, declined from the high level reached in 1955, to about \$235 million, the decline being due in part to a reduction of Soviet trade with the Argentine and with Cuba. Trade with the under-developed countries of Europe more than doubled, reaching the same level as that of Latin America, with Yugoslavia accounting for most of the increase. During 1956, the value of Yguoslavia's exports to the Bloc were double those of 1955 and its imports were tripled, owing to Bloc (chiefly Soviet) commercial credits. The proportion of Iceland's trade with the Bloc continued to increase.

26. Trade promotion was continued in the usual way by Bloc exhibits at trade fairs in under-developed countries. These fairs were held at places as far apart as Kabul, Tunis and Bogota. Trade was also fostered by visiting commercial and technical delegations and by the signing of new trade agreements, especially with countries like Cambodia which did not figure in Bloc trade in 1955, or Ceylon which had only had trade dealings with China. The Soviet Union signed its first trade agreement with Indonesia, which was the first step toward the conclusion of the agreement on economic aid which is now awaiting Indonesian ratification. Advertising has been done in many ways, by the distribution of pamphlets, in local newspapers and on the radio. In some cases private communist trading companies have been set up, as in Lebanon, financed by a Soviet commercial credit, in order to purchase Soviet-produced goods. Joint shipping companies have been set up by the USSR and India and by Poland and India. The Soviet Union only recently established a regular merchant shipping service from the Black Sea ports to Alexandria and Beirut. Air transport agreements have been signed with Afghanistan and are under discussion with India and Iran.

Loans and Credits

27. Total economic loans and credits (excluding arms credits) extended as at mid-1957 are estimated at about \$1.2 billion. New loans and credits extended during 1956 and 1957 amounted to about \$650 million excluding new arms deals with Syria, the Yemen and Afghanistan (see para 28 below). Of these the most important were Bloc credits to Yugoslavia amounting to more than \$250 million by August, a \$100 million development credit to Indonesia in September and a \$126 million development loan to India in November, with the proviso that it would not be used until 1959. Because of the Yugoslav position over the Hungarian crisis, and the large credits required by the Satellites, implementation of \$250 million worth of Soviet Bloc credits to Yugoslavia has been postponed. A large Soviet offer of aid to Turkey has not been accepted. It is interesting to note that, except for arms, there is no sign of implementation of the outstanding credits advanced during 1956 although 1955 credits are being implemented at a normal rate.

Arms Deals

28. Credits for the purchase of arms were made during 1956 to Syria, Yemen and Afghanistan (see Appendix "B"). New credits were estimated at \$103 million. Total credits for arms to date are estimated at more than \$350 million. Since the Suez fighting, the greatest increase in Soviet military aid has occurred with Syria. No estimate is available for replacements promised to Egypt although deliveries have been made and some 500 technicians are engaged in military activities in Egypt. In the Middle East, arms contracts continue to dominate the credit picture with the Soviet Union itself playing a more active role since the Suez crisis.

Technical Aid

29. The Sino-Soviet Bloc's programme of furnishing technical and scientific assistance to under-developed countries was both expanded and intensified during the period under review. During 1956 the Sino-Soviet Bloc countries sent at least 1,400 specialists to under-developed areas, mainly to India, Egypt, Afghanistan, Burma and Syria. For the most part, these were technicians who assisted in the construction of projects contracted for by Bloc countries. In a few instances, technicians aided in the operation of existing plants or trained local technicians. A large number of instructors and special consultants conducted military training programmes or gave advice on the use and operation of Bloc military equipment. In addition, advisers were attached to high-level government planning agencies in Egypt and India.

30. During 1956, at least 1,200 nationals of under-developed countries, mainly from India and Egypt, went to Bloc countries for training. Some trainees were being taught technical skills enabling them to operate equipment and plants in their homelands. Other trainees were receiving training in the operation and repair of military equipment.

31. The USSR and Czechoslovakia were the most active participants. Paraguay, Yugoslavia, and Cambodia were added to the list of under-developed countries receiving Bloc technical assistance. Countries receiving the preponderance of technical assistance remained the same, i.e. Egypt, Syria, India and Afghanistan.

32. Since late 1954 there has been a concerted Soviet campaign aimed at establishing the Soviet Union as the world's leading nation in nuclear research and in the peaceful applications of atomic energy. The Soviet Union has consistently and vigorously publicized the more spectacular Soviet achievements in this field. A large number of papers on Soviet nuclear research were presented at the Moscow and Geneva conference on the Peaceful

Uses of Atomic Energy in mid-1955. In early 1956 the Joint Nuclear Research Institute was formed at Dubna near Moscow as a Communist-bloc nuclear research centre. At about the same time a top-level Chief Administration for the Use of Atomic Energy was set up with one of its major tasks being the furthering of Soviet cooperation with other countries in the peaceful use of atomic energy.

33. Bilateral nuclear aid agreements were signed by the Soviet Union with Yugoslavia and Egypt in early 1956. Yugoslavia was promised a research reactor and a cyclotron, with the assurance that Yugoslav scientists and organizations would be permitted to participate fully in all phases of the construction. Egypt was promised similar nuclear facilities and also instruments and equipment for geological research. In both cases it was stipulated that Soviet scientists and technicians would accompany the promised equipment and assist in its installation and initial operation, and that Yugoslav and Egyptian scientists and technicians would be trained in the Soviet Union. The exchange of scientific personnel is reported to be proceeding as planned, and nuclear physics laboratories are under construction near Belgrade and Cairo to house the Soviet reactors, cyclotrons and other equipment. There has been little evidence to date of the shipment of any major reactor or cyclotron parts and it is doubtful whether these will be in operation by the end of 1957 as originally planned. Similar overtures have also been made to a number of other countries. India and Lebanon have been told that they could get a reactor from the Soviet Union if they wish to negotiate. Burma is reported to have received some equipment for a nuclear physics laboratory. Scholarships at both the graduate and postgraduate level in nuclear physics have been offered to Mexico, Iran, Syria, Thailand, and Greece. In every case the recipient is expected to proceed to some Soviet institution, usually Moscow State University or the Dubna Institute. Similarly scientists in Austria and Norway have been offered access to Soviet high energy physics laboratories. The proposed Soviet-Indonesian economic aid agreement is reported to include provision for training Indonesian scientists and students in nuclear science. The Soviet organization Tekhnopromeksport is setting up a branch office in Vienna, the headquarters of the International Atomic Energy Agency, presumably for the purpose of exchanging scientific information and documents with West European nations.

Prospects for Programmes

34. With respect to the implementation of the \$1.2 billion programme of Soviet Bloc economic assistance, it is estimated that at the end of 1957 actual deliveries or the extent to which economic credits will have been drawn on, can be valued at somewhat less than \$300 million. Of this figure actual deliveries and/or expenditures during 1957 may be of the order of 200 million. Many of the larger credits under the present programme, in particular those extended to Yugoslavia, India and Indonesia, may not be made available or fully drawn on until the early 1960's. Although it may be expected that the volume of economic and developmental credits will continue to expand, it is estimated that, over the next five years, actual deliveries or implementation of Bloc credits may not greatly exceed \$200 million per year. This figure will represent less than one-tenth of 1% of the annual output of goods and services of the Sino-Soviet Bloc and less than 1% of Bloc heavy industrial and capital goods production.

Capabilities of the USSR to Enlarge Programmes

35. In the supply of large-scale financial aid and technical assistance by the Bloc the USSR has taken by far the greatest share. Excluding credits for arms, which have ostensibly been given almost entirely by Czechoslovakia, approximately \$800 million of the total Bloc credits of nearly \$1.2 billion which have been extended to non-Bloc countries over the last three years have been supplied by the USSR. During 1956 alone, the USSR extended credits

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valued at some \$300 million, excluding arms. Credits for arms were estimated at \$40 million during 1956 and these have been implemented. Because none of the Bloc credits extended in 1956 are likely to be implemented immediately the USSR has few new commitments for 1957 and the only one likely to materialize during 1958 will be a first instalment of deliveries to Indonesia under the loan agreement. However contracts were being signed and work begun on projects to be supplied under 1955 credits. For the most part implementation of the 1955 programme was proceeding at a satisfactory rate, with specific contracts signed for an estimated 50% of economic credits (other than arms) granted prior to 1956. It is estimated that the amounts likely to be actually transferred by the USSR during 1957 could amount to more than \$150 million.

36. The value of economic and commercial credits promised to the Satellites by the USSR since November 1956, is estimated at slightly less than \$700 million, of which at least half will be delivered in the form of commodities or hard currency during 1957. Thus new commitments to the Satellites are almost as large as total commitments to non-bloc under-developed countries. However a large part of the credit commitments to the Satellites consists of raw materials and food and these do not necessarily compete with the provision of industrial equipment and technical know-how to under-developed countries outside the Bloc. Soviet aid to China in 1957 was stated by the Chinese government to be less than \$10 million. It is not thought likely, therefore, that granting of economic aid within the Bloc in 1957 will have any serious impact either on the implementation of the Soviet Union's present programme of economic and technical penetration of under-developed countries or on future offers of long-term credits. There will be virtually no limitation on the supply of arms. The appointment of Pervukhin in July to head a reorganized State Committee for Foreign Economic Relations suggests increased Soviet interest in its programme of economic aid and technical penetration.

Capabilities of the East European Satellites

37. The role of the Satellites has been most important in the sphere of trade, particularly with the Middle East and Latin America. Czechoslovakia assumed the initial responsibility of supplying arms to Egypt in 1955, estimated conservatively at \$250 million worth, and it is now supplying arms to other Middle Eastern countries. It is not known to what extent Czechoslovakia received financial backing from the USSR for its arms credits. Except for the larger loans to Yugoslavia, Satellite projects in under-developed countries are not thought to amount to more than \$200 million in all, an outlay of some \$50 million per year. It is not expected that the Satellites will default in their commitments for economic aid (though Hungary may have postponed implementation of some of its projects) but, in view of their indebtedness to the USSR, they may not be able to increase them in the near future. A possible exception may be made in the case of Czechoslovakia. The Satellites will wish to expand their trade with under-developed areas for economic reasons as well as for political motives.

Capabilities of Communist China

38. While Communist China has signed trade agreements with several Middle Eastern countries, most of its trade with under-developed countries is with South and South East Asia. In 1956 it accounted for over half the Sino-Soviet Bloc trade with this area. It is likely that this trade will continue to be expanded for political as well as for economic reasons. Grants to Cambodia and Nepal during 1956 and a foreign currency gift to Egypt show that China does not wish to be left out of this field of activity, even though its capabilities may be somewhat limited by domestic requirements as well as by economic aid already being given to North Korea and North Vietnam.

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39. China has to some extent copied the Soviet Union in attempts to penetrate neutral countries by sending equipment and technical personnel abroad. However she appears to realize that the method is relatively costly and that she is still ill equipped for technical penetration. Overseas Chinese, particularly those resident in South East Asia, present a much better avenue of penetration. Special reception centres have therefore been opened in China to accommodate students from overseas and assist them in gaining entry into schools and universities. It is to be assumed that these mainland-trained people will be more effective in spreading the influence of the Chinese Communist regime abroad than missions of visiting technicians.

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S E C R E T

APPENDIX "A"
to JIC 240/2(57)
dated 3 Sep 57

DEVELOPMENTS IN SPECIFIC AREAS AND INDIVIDUAL COUNTRIES

A. Europe

1. Only a very small portion of Bloc trade with the under-developed countries of the world is with Europe. Two under-developed countries which have been singled out for special attention are Iceland and Yugoslavia. During 1955 Iceland's exports to the bloc reached 28% of its total exports and 30% in 1956. About 24% of Yugoslavia's total trade was with the Soviet Bloc in 1956, more than double the 1955 percentage. About one-quarter of Yugoslavia's imports were not covered by exports. However, this trend has been slowed down by the impact of events in Hungary. Iceland has reconsidered its position in NATO and Yugoslavia has resisted the Soviet campaign for greater political solidarity with the Bloc. The Soviet Union, for its part, has decided to postpone implementation of about half the Soviet Bloc credits to Yugoslavia of \$464 million till its next Five-Year Plan. The most important project to be postponed is the construction of an aluminum plant to be financed jointly by the USSR and East Germany for which credit of \$175 million was allocated. It was reported on July 31, that construction of the combined aluminum plant and power project would not be completed until 1964. Yugoslavia has recently purchased 6 CRATE (IL-14) aircraft from the USSR for use by the Yugoslav Civil Air Lines and Yugoslav crews were trained in the Soviet Union. Soviet instructors returned to Yugoslavia with the aircraft and are continuing their instructions there. A recent report from NATO indicated that the Soviet Union had offered to finance economic development in Iceland to the extent of \$25 million. This Soviet offer might also cover the purchase of fishing trawlers from East Germany. Offers of aid have been made to Greece, but there is no indication that they will be accepted. Civil air and shipping services have been established between Greece and Soviet Bloc countries.

B. Middle East

2. The most spectacular advances in Sino-Soviet bloc economic penetration of under-developed areas in the past year have taken place in the Middle East. Here the political and military developments of the later part of 1956 have played into Soviet hands with the result that the Soviet Union has become the economic mainstay of Egypt and Syria. Soviet economic support takes the form of the continued supply of arms and military advisers and technicians, deliveries of oil and other essential commodities and the purchase of agricultural surpluses. Soviet Bloc penetration is also increased by the presence of military and economic advisers in these countries and by the training of Egyptian and Syrian Navy and Air Force officers in Bloc countries. Soviet Bloc influence has also increased in the Yemen with the supply of Czech and Soviet arms and an agreement on economic aid with the USSR. Little headway has been made in the Lebanon. Although offers of aid have been received during the past year by Turkey and Iran, which are in military alliance with the West, There is indication that they will accept large-scale Bloc assistance. A regular Soviet merchant shipping service has been established between Black Sea ports and Alexandria and Beirut.

Egypt

3. Economic penetration of Egypt has shown a marked increase since August when financial sanctions were applied by the USA, UK and France to show their disapproval of Nasser's nationalization of the Suez Canal.

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In September 1956, agreements with the USSR were drawn up providing for the purchase of 4,000,000 tons of Soviet wheat in exchange for Egyptian cotton. Egypt also contracted to obtain a larger proportion of its imported oil from the USSR in exchange partly for rice, in order to save scarce Western currencies. However, it was not until after the Israeli-French-British attack on Egypt and the blocking of the Suez Canal that Egypt came to rely almost solely on the USSR for its supplies of imported oil and oil products (including kerosene for domestic cooking) and wheat, which were delivered by sea at Alexandria mainly in Soviet ships.

4. More than 50% of Egypt's cotton exports in the 1967-57 crop year have been taken by the Soviet Bloc, with the USSR the largest single customer. The percentage of total exports to the Bloc in 1956 was about 35. During the first 2 months of 1957 imports from the Bloc had risen to 36% of Egypt's total imports, from 14.4% in 1956. So far as is known, no large developmental credits have been accepted by Egypt, apart from military credits, although a Soviet office for the export of capital equipment was set up in Cairo at the end of 1956. At the same time, further supplies of aircraft and tanks were being made available to replace those which had been destroyed, and military technicians and advisers were again operating in Egypt. It is estimated that at least 200 Bloc military personnel were in Egypt during 1956 and about 1,000 Egyptians were sent to Czechoslovakia, Poland and the USSR for naval or air training. Civilian technicians, economists and nuclear scientists from the Bloc also visited Egypt in large numbers during 1956, numbering perhaps as many as 200. Twenty-one Egyptian scientists have gone to the USSR to receive training in the peaceful applications of atomic energy.

Syria

5. Since November 1956 there has been a significant increase in Soviet influence in Syria. After the blowing up of the IPC pipeline, Syria obtained its supplies of petroleum and petroleum products from Black Sea ports in Soviet ships. Apart from its loss of IPC revenue, Syria had already lost its most important markets for cotton and wheat in France. The Soviet Bloc appears to have taken up the slack in the Syrian cotton market and East Germany, in a triangular deal with Egypt, bought 100,000 tons of Syrian wheat for which Syria will receive machinery.

6. Syria is also known to have placed an order for further deliveries of arms from the USSR in November, bringing the total of purchases from the Bloc up to an estimated \$70 million. Payment will probably be in Syrian commodities, over a period of time, thus tying the Syrian economy more closely to that of the Bloc. Soviet bloc military technicians and advisers are being sent to Syria in considerable numbers and Syrian Army and Air Force officers are being sent to the Bloc for training. The trend of 1957 is shown by the fact that the contract to build an oil refinery at Homs was finally awarded to Czechoslovakia for political reasons. The contract was valued at about \$15 million. General offers of Soviet economic assistance have been made according to official Syrian government statements, and assurances have been given that the Bloc will purchase Syria's surplus of wheat and cotton.

7. It now appears from information available on the visit to Moscow in July of a Syrian delegation led by the Defence Minister Khalid al Azm that Soviet political, military and economic influence over Syria has been extended. According to reliable reports, the Syrian delegation requested postponement or a remission of repayment of former arms debts and received promises of further arms deliveries and long-term economic aid at low interest rates. There will be exchanges of technical delegations to work out the details of the economic aid agreement. Projects under consideration includes roads, railways, airfields, irrigation and hydro-electric stations.

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Yemen

8. Yemen is the only other country in the Middle East which has accepted aid from the Bloc on any scale. It has signed a \$9 million agreement for arms from Czechoslovakia to be used in its border dispute with Aden, and to date eight shipments of Soviet arms to Yemen have been reported. There has been agreement in principle for economic aid from the USSR in building the port of Hodeida and in training Yemeni mining students in the USSR. The Yemen is an example of how Bloc aid may be given in the first place in the form of arms to be used in a local dispute and then become more general as relations grow closer and as the country becomes involved in repayment of its debts. It was reported in April 1957 that a long-term Soviet loan had been extended to Yemen for the construction of roads and ports. A part of the loan already contracted for was reported to amount to \$10 million. East Germany and Czechoslovakia have offered to build a power plant and a cement factory. Soviet, East German and Czech construction engineers and other experts are currently at work in the Yemen.

Lebanon

9. Although a Soviet-financed trading company has been set up in Beirut, the Lebanon has so far withstood offers of economic aid. Only a small percentage of its trade is with the Bloc. Beirut is a port of call of a new Soviet merchant shipping service connecting Black Sea ports with the Eastern Mediterranean.

Other Middle East Countries

10. Among countries in military alliance with the West, Turkey and Iran have received offers of economic aid from the Soviet Union. Turkey and Iran have traditionally had considerable trade dealings with the European Satellites and the USSR. Turkey's trade is mainly with the East European Satellites, nearly 20% of its trade being with the Bloc in 1955 and 1956. The USSR has been an important market for Iran's exports, excluding oil. After the signature of the Baghdad Pact the Soviet Union cut off most of its imports from Iran but trade was resumed again after the visit of the Shah to Moscow in June, 1956. A three year Trade Agreement was signed with Iran in April 1957. At the same time a transit agreement was signed with the USSR whereby goods of either country in transit through the other would be free of customs duty. It is possible that this agreement may have provided for Soviet use of Iranian ports. The Soviet Union has also renewed its offers of economic aid, in particular for the development of transport facilities, and a bilateral air transport agreement is under consideration. A team of Soviet engineers arrived in Iran on May 6, to study the problem of power and irrigation on the border rivers of Aras and Atrak. Turkey, on the other hand, has accepted small credits for specific projects, such as a cement factory and a textile mill to be supplied by the Satellites but is reported to have turned down a \$200 million offer of economic aid from the Soviet Union.

11. All Soviet exports to Israel, including important supplies of oil which the USSR was under contract to deliver over a period of three years, were discontinued after the Israeli attack on Egypt. They have not been resumed.

C. South and South-East Asia

12. South and South East Asia are the main recipients of Bloc economic assistance. Progress in economic penetration has been maintained on a fairly broad base in Afghanistan and India. A new development has been

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- 4 -

S E C R E T

the supply of arms to Afghanistan. Further progress is reported in Burma and in Indonesia, although at a slower rate and less well coordinated. Burma has reduced her commitments for the delivery of rice to the Soviet Bloc in 1957. The Indonesian cabinet has finally ratified the \$100 million loan agreement, signed with the Soviet Union in 1956. There has been considerable bloc activity in Cambodia and a two-year grant of \$22.4 million from China. China has also made a 3-year grant of \$12.6 million to Nepal. Preliminary trade returns show a 50% increase in Soviet Bloc trade with this area during 1956.

Afghanistan

13. Along with India, Afghanistan has figured most largely among recipients of Soviet Bloc aid, mostly from the Soviet Union. Total credits, including a minimum of \$28 million for arms, were estimated at about \$160 million at the end of 1956. The Soviet Union is now responsible for all construction projects requiring foreign aid in northern Afghanistan and Kabul and is even reported to have undertaken certain projects in irrigation and road-building in the south.

14. The most important new development in Bloc aid to Afghanistan was a Czech and Soviet loan for the supply of arms valued at a minimum of \$28 million. The loan bears 3% interest, with repayment in 8 annual instalments beginning in 1957. Arms, tanks and MIG aircraft have already begun to arrive, along with Soviet technicians and instructors. At the same time the earlier Bloc projects begun in 1955 are nearing completion and surveys are going ahead quickly for projects under the \$100 million loan. Projects for which funds from the loan had been earmarked by the end of 1956 included the expansion of Kabul airport, construction of the Salang Pass, 3 motor repair shops, a road maintenance unit and a physical and chemical laboratory. Projects under consideration are the construction of the Bagram airfield, an irrigation system, hydro electric plants and a fertilizer factory. Various small projects have already been undertaken by Czechoslovakia under previous credits and a credit for telephone equipment was extended in 1956. Soviet advisers, who visited Afghanistan during 1956, are reported to have numbered more than 400. At least 40% of Afghan trade is now with the Bloc. Bloc countries, including Communist China, took a prominent part in the Trade Fair held in Kabul in August and September. With instalments of repayment of Soviet credits already falling due, an even larger share of Afghan trade will be earmarked for the bloc. China has signed a two year trade agreement with Afghanistan.

India

15. When India accepted the new Soviet loan of November 1956, valued at \$126 million, it became one of the largest recipients of Soviet Bloc aid, valued at \$280 million as at the end of 1956. Terms of the loan are similar to those for the steel plant at Bhilai. The loan will not be drawn on till 1959 so that a large part of it may be used for specific projects under India's Second Five-Year Plan.

16. Plans for training of Indian personnel to operate the steel plant (one of three steel plants now being built in India with foreign aid) have now been worked out. Fifty Indian steel apprentices have gone to the Ukraine for training and 30 steel engineers were receiving advanced training in the USSR at the end of 1956. Part of this training is being financed under the United Nations Technical Assistance Programme. Thousands of Indian workers and technicians will also be trained on the spot at Bhilai.

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17. Soviet experts sent to India during 1956 to provide technical assistance in connection with various projects are estimated to have numbered nearly 300. They included experts for the Bhilai steel works, oil-drilling experts, technicians to operate oil-drilling experts, technicians to operate oil rigs purchased from the USSR, and others engaged in economic planning. Surveys were undertaken of heavy machinery manufacturing, the pharmaceutical industry and the coal industry.

18. While India trades with all the countries of the Bloc and there has been a gradual increase in trade with the Bloc, the percentage of this trade did not exceed 4% of India's total trade in the first 9 months of 1956. A bilateral air transport agreement between India and the USSR is under consideration. Joint shipping companies have been set up with Poland and the USSR. The most important Soviet contribution is in the field of technical assistance and training in connection with the provision of industrial plant and a technical institute at Bombay.

19. With regard to military aid, India has rejected offers of assistance from the Soviet Union, in spite of the visit of Marshal Zhukov to India and his efforts to influence India's leaders.

Pakistan

20. Pakistan signed trade agreements with the USSR, Czechoslovakia and Hungary. Most of Pakistan's Bloc trade is still with China, which is a desirable market for its cotton. While imports from the Bloc were negligible in the first 9 months of 1956, exports amounted to 7% of its total exports. Pakistan still refuses to accept Soviet aid for political reasons.

Ceylon

21. The general election in Ceylon in 1956 replaced a pro-western by a neutralist government. In August and September of that year a senior Ceylonese delegation visited Moscow and Peking and while economic relations were discussed no agreement for trade or aid was signed with the USSR. Ceylon now has trade agreements with all the European satellites and Communist China. The Five-Year Trade Agreement with China is in its final year in 1957. China is by far Ceylon's most important trading partner in the Soviet Bloc. The only economic cooperation agreement with a Bloc country was signed with Czechoslovakia in August 1956. Repeated offers of Soviet aid have been reported, the most recent being a Soviet offer to plant 30,000 acres of rubber with the proviso that the Ceylonese government agree to sell the crop exclusively to the USSR at an agreed price.

Nepal

22. In October, China signed an agreement with Nepal whereby it would give a grant to Nepal of \$12.6 million for economic aid. This agreement, it was claimed, had no political strings attached and Communist China agreed not to send technical personnel to Nepal. The first instalment has now been paid. Recent reports from Nepal indicate that it has received offers of Russian aid and that it is considering the possibility of obtaining Russian aircraft for a civil airline.

Burma

23. Burma has still declined to receive economic aid from the USSR on credit. It continued to make large sales of rice to the Bloc during 1956 in conformity with the barter trade agreements signed with all the trading members of the Sino-Soviet bloc, including such smaller members

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- 6 -

SECRET

as Bulgaria and North Vietnam. During 1956 Burma had credit balances with all the Soviet Bloc countries except Czechoslovakia. In October, however, a three-way clearing agreement was signed by Burma, USSR and Czechoslovakia under which Burma would be permitted to draw \$11.5 million on its credit balance with the USSR to pay for imports from Czechoslovakia. It is reported that a multilateral clearing agreement is under consideration. The Burmese have become somewhat dissatisfied with the results of their rice agreements with the Bloc and by the end of 1956 they were successful in securing a reduction in the quota of rice promised to the Bloc in 1957 under long-term contracts. The drop in the export of rice may be from nearly 800,000 tons to as little as 240,000 or a reduction from 40% to only 12% of Burmese total rice exports. Burma will thus be free to sell the remainder for cash, which she will have no difficulty in doing. There was a considerable increase in the proportion of Burmese trade with the Bloc in 1956, particularly in Burmese imports from the Bloc, from 2.3% in 1955 to nearly 18% in 1956. China was still the single largest trading partner.

24. Two economic missions of 30 or more engineers and technicians visited Rangoon during the latter part of 1956, mainly in connection with the Soviet 'gift' of a technological institute, a stadium and a permanent agricultural exhibit. The second economic mission which was headed by Maletin, then Deputy Head of the Chief Directorate for Economic Relations (G.U.E.S.), arrived in Rangoon in November. It also included experts to discuss Burma's agricultural and industrial development programme. An agreement was signed under which Russia would lend Burma 14 agricultural and irrigation experts. Communist China is continuing to aid the Burmese government with the expansion of its cotton spinning and weaving facilities near Rangoon. It is reported that Bloc experts are paid for from receipts from rice sales. The Burmese "gift" made in exchange from the Burma "gifts" mentioned above is reported to be 400,000 tons of rice.

25. In July 1957 a Czechoslovak mission to Burma is reported to have offered military equipment in exchange for rice. The types of equipment were said to include jet aircraft, artillery, and small arms. Earlier Soviet bloc offers of military equipment have been rejected through Burmese forces are poorly equipped.

Cambodia

26. The first Cambodian dealings with the Soviet Bloc were with Communist China when it signed trade and aid agreements for 14 million and \$22 million respectively. The latter was in the form of equipment and technical aid, to be extended over a period of three years. Offers of trade and economic aid were later made by Prince Sihanouk during his visit to Moscow, Prague and Warsaw in June and July, 1956. A Czech delegation visited Cambodia in September when trade and payments and technical cooperation agreements were signed. Later a Soviet economic delegation visited Phnom Penh to pursue the discussions begun in Moscow. Reports in 1957 are that the Soviet Union will provide agricultural and irrigation experts and a 650-bed hospital complete with Russian staff. Poland and Czechoslovakia have each promised to grant scholarships to Cambodian students. It is reported that Chinese technicians have begun to arrive as provided for in the June agreement, to help in surveying, designing and constructing textile, cement, paper and plywood mills. It is likely that trade and cultural exchanges with Communist countries, begun in 1956, will continue to be expanded. Trade figures for 1956 have not been reported.

Laos

27. It is reported that China has offered economic and military aid to Laos. The earlier Souvanna Phouma government resigned on 31 May 1957

when the pro-communist Pathet Lao demanded acceptance of Chinese aid as a condition for a political settlement. This problem will still be a difficult issue for the new Phouma government which was formed on 9 August 1957.

Thailand

28. In June, 1956, the Thai government relaxed its restrictions on trade with China in non-strategic goods. China bought 100,000 tons of Thai rice. It is reported that the Chinese are willing to equip light industries in Thailand on credit, but that offers of aid have been refused.

Indonesia

29. In August 1956 the first trade agreement with the USSR was signed in Djakarta. Soviet machinery and cotton textiles were to be exchanged for Indonesian agricultural products. Discussions also touched on the Soviet offer of a large developmental loan, made in April, but the offer was not accepted till 15 September during President Sukarno's visit to Moscow. It is a \$100 million credit, with repayment over a 12-year period at 2½% interest. The Soviet Union will provide technical aid for the construction of industrial enterprises and mines and train Indonesians, particularly in atomic energy. The agreement was not placed before the Indonesian parliament until July 10, although it was reported that the Cabinet had approved it prior to Voroshilov's visit in May. A contract for 4,000 Soviet jeeps has been reported, to be delivered during 1957 and 1958 and to be paid for over a five year period. The first instalment has already arrived.

30. Trade has declined somewhat with the Satellites, who were not buying sufficient Indonesian exports, and increased with Communist China. In July 1957 President Sukarno disclosed that military assistance was offered to Indonesia by the Communist Chinese when he visited China in October 1956. As yet no military equipment is believed to have been ordered from China. However, the Indonesian government may accept some equipment. Czechoslovakia has extended credit for capital equipment and technical assistance under an agreement signed in May. A Czech credit was also extended for the construction of a tire factory. Work is continuing on the East German sugar factory.

D. Africa

31. The programme of economic penetration is still in a very early stage. Offers of trade and aid have been made to the Sudan and Ethiopia during this period and Bloc trade delegations have visited Morocco and Tunisia. As more African territories take on independent status, following the recent example of Ghana, there will be greater opportunity for visiting Bloc trade delegations and for trade promotion.

Ethiopia

32. In Ethiopia, the only African country which has accepted a long-term credit, Czechoslovakia, has undertaken to build, equip and staff a hospital at Addis Ababa. Repayment is reported to be over a period of 10 years. Ethiopia has a trade agreement with Czechoslovakia, but trade is still very small. Other bloc delegations have visited Ethiopia and offers of aid have been reported. In the matter of military equipment, Ethiopia is however committed to a programme of rearmament by the United States.

Sudan

33. The Czechs have been very prominent in seeking trade with the Sudan. Czech offers of equipment, including agricultural tractors, have

been made on attractive credit terms and at extremely low prices. The Sudan had less than 5% of its trade with the Bloc in the first 11 months of 1956. A Soviet note has been sent to the Sudan government offering economic aid. Soviet purchases of Sudanese cotton have increased recently.

Morocco

34. Trade delegations from Czechoslovakia and China have visited Morocco. Morocco signed a trade agreement with Czechoslovakia in December 1956, and with the Soviet Union in April 1957. The only appreciable trade was with Communist China in 1956.

Ghana

35. The first offer of Soviet aid to Ghana was rejected as was also the Soviet proposal to exchange diplomatic representatives. The Soviet Union is reported to have increased its purchases of cocoa, Ghana's chief export crop.

E. Latin America

36. Although there has been a good deal of trading activity in Latin America and a few new trade agreements have been signed, the total value of trade for the area has been on the decrease in 1956, following a large increase in 1955. Bloc countries exhibited in Trade Fairs in Bogota, Colombia and in Montevideo, Uruguay. Only a few specific offers of aid were made to Latin American countries during 1956.

Argentina

37. Argentina's total trade with the Bloc showed a sharp decline during 1956. The USSR was still Argentina's chief trading partner in the Bloc but trade with Czechoslovakia has been growing. Czechoslovakia agreed to deliver a number of training planes (IL-60's) to Argentina, accompanied by Czechoslovak technicians to train air- and ground-crew personnel.

Brazil

38. Brazil's trade with Bloc countries, mainly Czechoslovakia, Poland and Hungary, increased during 1956 over the level reached in 1955. However, some of the trade agreements have been allowed to lapse, partly owing to Brazil's difficulties in using up its credit balances with the Bloc.

Colombia

39. Czechoslovakia and East Germany had displays at the third International Trade Fair and sales of goods exhibited were reported. Colombia's level of trade with the Bloc is very low.

Cuba

40. Cuba has sold considerable quantities of sugar to the USSR each year for the past 3 years. Sales in the first part of 1957 amounted to 350,000 Spanish long tons, which were paid for in U.S. dollars.

Uruguay

41. Uruguay's trade with the Bloc has not increased, owing to its dissatisfaction with credit balance under previous trade agreements. China appeared for the first time as a market for wool tops.

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- 9 -

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42. Other Latin American countries which have had trade dealings or discussions with the Bloc are Paraguay, Mexico, Chile, the Dominican Republic and Ecuador, but little trade has resulted. Technical assistance has been offered to Mexico, Chile and Paraguay. A Chinese trade mission recently visited South America.

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APPENDIX "B"
 to JIC 240/2(57)
 dated 3 Sep 57

Page 1

SINO-SOVIET BLOC TRADE WITH UNDER-DEVELOPED COUNTRIES BY AREA
 (Arms excluded)

1954 - 1956^{a/}

(in millions of U.S. dollars)

Area	1954	1955	1956 (estimated)
Middle East	266.3	396.5	450
South and South East Asia	224.5	283.2	420
Africa	58.0	66.3	65
Latin America	227.0	325.6	235
Europe ^{b/}	42.5	107.2	235
TOTAL:	818.3	1,178.8	1,405

^{a/} These figures are compiled from the national returns of individual countries. Area totals should be considered as approximate only, since some of the smallest trading countries have been omitted. For 1956, estimates have been made on the basis of trade returns for the first 9 (or 11) months of the year.

Details of trade by country are given on pages 2 and 3.

^{b/} Includes only Iceland, Yugoslavia and Portugal. Portugal's trade with the Bloc is negligible..

Imports of Under-Developed Areas from the Sino-Soviet Bloc - by Country
 (in millions of U.S. dollars - arms excluded)

	1954		1955		1956	
	Value	Percentage of Total Imports	Value	Percentage of Total Imports	Value	Percentage of Total Imports
<u>Europe</u>						
Iceland	12.7	18.3	17.2	22.2 (Jan-Dec.)	23.7	26.3
Yugoslavia	3.8	1.2	32.5	7.5 (Jan-Dec.)	108.5	23.0
Greece	9.3	2.8	13.2	2.5 (Jan-Oct.)	17.3	4.6
<u>Middle East</u>						
Egypt	26.9	5.9	37.7	6.8 (Jan-Dec.)	76.7	14.4
Iran	21.2	9.5	25.8	9.4 (Jan-Nov.)	23.9	9.9
Israel	6.9	2.4	5.5	1.7 (Jan-Oct.)	3.0	1.0
Turkey	45.5	9.5	91.3	18.3 (Jan-Oct.)	47.3	13.7
Syria	4.7	2.6	5.5	2.8 (Jan-Sep.)	5.2	3.2
<u>South and South East Asia</u>						
Burma	3.0	1.5	4.0	2.3 (Jan-Dec.)	30.3	17.6
Ceylon	33.1	11.3	18.4	6.0 (Jan-Nov.)	25.1	8.2
India	11.2	0.9	22.3	1.7 (Jan-Oct.)	62.7	4.5
Indonesia	15.3	2.4	40.3	6.6 (Jan-Oct.)	41.0	5.8
Pakistan	3.0	0.9	3.4	1.2 (Jan-Sep.)	1.3	0.6
<u>Africa</u>						
Sudan	11.1	8.0	4.2	3.0 (Jan-Nov.)	7.3	6.1
Morocco	14.1	2.5	22.9	4.9 (Jan-Sep.)	19.2	5.7
<u>Latin America</u>						
Argentina	55.2	5.1	103.6	9.5 (Jan-Nov.)	54.1	5.3
Brazil	18.8	1.1	38.1	2.9 (Jan-Sep.)	36.7	4.3
Uruguay	2.6	0.9	2.4	1.1 (Jan-July)	4.4	3.8

SOURCE: U.S. Department of Commerce.

Exports of Under-Developed Areas to the Sino-Soviet Bloc - by Country
(in millions of U.S. dollars - arms excluded)

	<u>1954</u>		<u>1955</u>			<u>1956</u>	
	Value	Percentage of Total Exports	Value	Percentage of Total Exports		Value	Percentage of Total Exports
<u>Europe</u>							
Iceland	12.9	24.9	14.5	27.8	(Jan-Dec.)	19.0	30.0
Yugoslavia	6.1	2.6	34.7	14.0	(Jan-Dec.)	77.4	24.1
Greece	10.8	7.1	8.5	4.6	(Jan-Oct.)	14.3	11.8
<u>Middle East</u>							
Egypt	56.3	14.1	106.1	26.7	(Jan-Dec.)	139.2	34.4
Iran	20.3	18.3	20.6	15.2	(Jan-Nov.)	16.0	16.7
Israel	4.4	5.2	3.3	3.8	(Jan-Oct.)	4.5	5.4
Turkey	53.8	16.1	68.6	21.8	(Jan-Oct.)	51.7	21.6
Syria	1.1	0.5	1.6	1.2	(Jan-Sep.)	4.5	4.6
<u>South and South East Asia</u>							
Burma	0.6	0.3	13.6	8.7	(Jan-Dec.)	25.0	14.4
Ceylon	46.9	12.3	25.8	6.3	(Jan-Nov.)	31.3	9.6
India	19.3	1.6	26.6	2.1	(Jan-Oct.)	36.8	3.6
Indonesia	9.1	1.1	33.9	3.6	(Jan-Nov.)	21.7	2.8
Pakistan	33.6	9.4	36.9	9.2	(Jan-Sep.)	19.7	7.5
<u>Africa</u>							
Sudan	.9	9.7	4.0	2.7	(Jan-Nov.)	5.9	3.2
Morocco	2.9	1.0	9.6	3.1	(Jan-Sep.)	3.5	1.4
<u>Latin America</u>							
Argentina	101.7	9.5	84.9	8.3	(Jan-Nov.)	31.9	3.9
Brazil	24.0	1.5	46.6	3.3	(Jan-Sep.)	31.0	2.8
Uruguay	23.7	9.5	10.5	5.7	(Jan-June)	4.1	3.6

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APPENDIX "B"

Page 4

ESTIMATED ECONOMIC CREDITS
 (Excluding Arms Credits)

Extended by
the Sino-Soviet Bloc to Underdeveloped Countries

1 January 1954 - 1 July 1957

(millions of dollars)				
<u>Recipient Areas</u>	<u>USSR</u>	<u>Satellites</u>	<u>Communist China(1)</u>	<u>Total Bloc</u>
<u>South and South East Asia</u>				
Afghanistan	107	27		134
India	249	41		290
Indonesia	100	12		112
Cambodia			22	22
Nepal			13	13
	<u>456</u>	<u>80</u>	<u>35</u>	<u>571</u>
<u>Middle East and Africa</u>				
Egypt		33	5	38
Syria	1	26		27
Turkey	4	13		17
Yemen	10	N.A.(2)		10
	<u>15</u>	<u>72</u>	<u>5</u>	<u>92</u>
<u>Latin America</u>				
Argentina	4	18		22
Brazil		3		3
	<u>4</u>	<u>21</u>	<u>—</u>	<u>25</u>
<u>Europe</u>				
Iceland		4		4
Yugoslavia	299	165		464
	<u>299</u>	<u>169</u>	<u>—</u>	<u>468</u>
	<u>774</u>	<u>343</u>	<u>40</u>	<u>1,156</u>

(1) Grants, not loans.

(2) Not available.

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APPENDIX "B"

Page 5

ESTIMATED ARMS CREDITS EXTENDED BY THE SOVIET BLOC
TO UNDER-DEVELOPED COUNTRIES

(in millions of U.S. dollars)

Area and Country	U.S.S.R.	Czechoslovakia	Total Bloc
Afghanistan	15	13	28
Egypt	0	250	250
Syria	25	45	70
Yemen	0	9	9
Total:	40	317	357

D. L. (2) Div./E.P.Black/rh

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MEMORANDUM

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TO: Mr. Webster. - EUROPEAN DIVISION

Security TOP SECRET

Date ... September 23, 1957

FROM: DEFENCE LIAISON (2) DIVISION

File No.		
50028-B-40		
43		-

REFERENCE:

SUBJECT: Recent Activities in Soviet Foreign and Defence Policy

I am enclosing a draft Minute of the meeting which you attended on September 13th. If you agree with this Minute would you please telephone Mr. Black of this Division. I intend to send the final Minute of our meeting to Mr. Watkins and the interested Divisions in the Department endorsing paragraph 5 and asking them for their views. Copies will also be sent to the Joint Intelligence Committee.

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G. M. Southam
DEFENCE LIAISON (2) DIVISION

file

fw

1 Oct 57

- CIRCULATION**
- Mr. Southam
 - Mr. Black,
D.L.(2) Div.
 - Mr. Rettie,
Middle Eastern
Div.
 - Mr. Campbell,
U.N. Div.

Mem to [unclear] - ML - VII

September 20, 1957

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+ by [unclear]

Recent Activities in Soviet Foreign and Defence Policy

Minutes:

A meeting was held on September 13, 1957 attended by

- Mr. Southam
- Mr. Black - Defence Liaison (2) Division
- Mr. Webster - European Division
- Mr. Rettie - Middle Eastern Division
- Mr. Campbell - United Nations Division

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Mr. Southam informed the meeting that as a result of the recent Soviet announcement of the firing of an inter-continental ballistic missile, the Joint Intelligence Committee had prepared a technical paper on the missile itself which had been seen by senior officers of the Department and the Prime Minister. He went on to say that Defence Liaison (2) Division had, at the same time, considered that in view of this Soviet announcement and various other aspects of Soviet activity in the political and defence fields an examination should be undertaken of recent Soviet moves. The objective of this meeting was to try to come to some decision as to whether or not there had been any substantial changes in recent months in Soviet foreign and/or defence policy. At the same time the Intelligence Directorates were to examine Soviet activity in the defence field alone with the same objective in view. The Joint Intelligence Committee would review our findings and theirs and might then produce a short paper on the subject if it considered one to be necessary.

2. The meeting then went on to discuss the following matters:
- (1) The reasons for the Soviet announcement of the firing of an inter-continental ballistic missile.
 - (2) The increasing Soviet capacity to produce operational nuclear weapons and the continuation of Soviet nuclear tests.
 - (3) Soviet naval activity which has included in recent months a large number of naval exercises, greater movement and showing of the flag by Soviet naval vessels, the recent public warnings of large naval manoeuvres in the Kara-Barents Sea area and a substantial increase in submarine activity.
 - (4) Soviet air activity including the increased capability of the Long-

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Range Air Force, increased training in Arctic flying, and recent large air defence exercises.

- (5) Soviet military activity including the present re-organization of the Soviet Army in East Germany designed to reduce numbers while at the same time increasing fire power and mobility, as well as the recent exercise in East Germany in which for the first time Soviet and East German forces participated together.
- (6) The recent breakdown in the London disarmament talks.
- (7) Soviet policy in the Middle East including the recent note to the Western Powers, the Soviet attitude towards events in Syria, and the continuation of Soviet Bloc arms shipments to Egypt, Syria and the Yemen.
- (8) Soviet policy in Europe including the warnings to various of the NATO powers, the recent note concerning Germany, and Khrushchev's visit to East Germany.

3. In general, the meeting considered that with regard to Disarmament *Defense* It was agreed that the activities in the defense field were in line with expected developments in Soviet capabilities and *was indicated the increase in defense and defense research.*
 The Soviet Union *was* probably serious about attempting to come to some agreement when the talks began, but there had been a change *at* in Soviet *policy* sometime between *mid-*July and mid-August, the reasons for which might become clearer during the debate in the General Assembly of the United Nations.

Middle East

Soviet policy in this area could be described as a resolute and skilful determination to exploit any development to improve the Soviet position at the expense of the Western Powers. The situation in the Middle East was ~~so fluid that this flexible Soviet policy~~ *and it was not yet clear precisely what Soviet objectives were, or how great were the risks which the Soviet Union was prepared to incur.*
was yielding good results.

Europe

The Soviet Union seemed at present to be content with the status quo in Europe, now that the situation in Eastern Europe had been *restabilized* and there seemed little likelihood at present of any *early* change in *Soviet* its policy with regard to Germany.

with the condition of Eastern Europe and seemed for the present to be content with an effort to preserve the status quo in Europe as a whole

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4. The meeting came to the general conclusion that recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the status quo in Europe. *situation that would in Europe before the Polish and Hungarian crises.*

5. Mr. Rettie suggested that it would be useful if further meetings of this type could be held from time to time (perhaps once a month) at which recent Soviet activity in the political and defence fields might be discussed. As there was general support for this suggestion, Mr. Southam said that Defence Liaison (2) Division would be glad to convene such meetings, should the Heads of the Divisions concerned agree that they should be held.

D. L. (2) Div./E.P.Black/rh

BEST AVAILABLE COPY DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

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TO: Mr. Southern
Mr. Black - DEFENCE LIAISON (2) DIVISION

Security TOP SECRET

Date September 23, 1957

FROM: DEFENCE LIAISON (2) DIVISION

File No. 50028-B-40		
43		✓

REFERENCE:

SUBJECT: Recent Activities in Soviet Foreign and Defence Policy

Receipts
Complete changes with
the manual

I am enclosing a draft Minute of the meeting which you attended on September 13th. If you agree with this Minute would you please telephone Mr. Black of this Division. I intend to send the final Minute of our meeting to Mr. Watkins and the interested Divisions in the Department endorsing paragraph 5 and asking them for their views. Copies will also be sent to the Joint Intelligence Committee.

GM
DEFENCE LIAISON (2) DIVISION

CIRCULATION

c.c. Mr. Webster
European Div.
Mr. Rettie,
Middle Eastern
Div.
Mr. Campbell,
U.N. Div.

D R A F T

DOWNGRADED TO SECRET September 20, 1957
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Recent Activities in Soviet Foreign and Defence Policy

Minutes:

A meeting was held on September 13, 1957 attended by

Mr. Southam
Mr. Black - Defence Liaison (2) Division
Mr. Webster - European Division
Mr. Rettie - Middle Eastern Division
Mr. Campbell - United Nations Division

Mr. Southam informed the meeting that as a result of the recent Soviet announcement of the firing of an inter-continental ballistic missile, the Joint Intelligence Committee had prepared a technical paper on the missile itself which had been seen by senior officers of the Department and the Prime Minister. He went on to say that Defence Liaison (2) Division had, at the same time, considered that in view of this Soviet announcement and various other aspects of Soviet activity in the political and defence fields an examination should be undertaken of recent Soviet moves. The objective of this meeting was to try to come to some decision as to whether or not there had been any substantial changes in recent months in Soviet foreign and/or defence policy. At the same time the Intelligence Directorates were to examine Soviet activity in the defence field alone with the same objective in view. The Joint Intelligence Committee would review our findings and theirs and might then produce a short paper on the subject if it considered one to be necessary.

2. The meeting then went on to discuss the following matters:
- (1) The reasons for the Soviet announcement of the firing of an inter-continental ballistic missile.
 - (2) The increasing Soviet capacity to produce operational nuclear weapons and the continuation of Soviet nuclear tests.
 - (3) Soviet naval activity which has included in recent months a large number of naval exercises, greater movement and showing of the flag by Soviet naval vessels, the recent public warnings of large naval manoeuvres in the Kara-Barents Sea area and a substantial increase in submarine activity.
 - (4) Soviet air activity including the increased capability of the Long-

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Range Air Force, increased training in Arctic flying, and recent large air defence exercises.

- (5) Soviet military activity including the present re-organization of the Soviet Army in East Germany designed to reduce numbers while at the same time increasing fire power and mobility, as well as the recent exercise in East Germany in which for the first time Soviet and East German forces participated together.
- (6) The recent breakdown in the London disarmament talks.
- (7) Soviet policy in the Middle East including the recent note to the Western Powers, the Soviet attitude towards events in Syria, and the continuation of Soviet Bloc arms shipments to Egypt, Syria and the Yemen.
- (8) Soviet policy in Europe including the warnings to various of the NATO powers, the recent note concerning Germany, and Khrushchev's visit to East Germany.

3. In general the meeting considered that with regard to

Disarmament

The Soviet Union were probably serious about attempting to come to some agreement when the talks began, but there had been a change in Soviet ^{policy} ~~policy~~ ^{factis} sometime between ~~mid~~ ^{early} July and mid-August, the reasons for which might become clearer during the debate in the General Assembly of the United Nations.

at least

Middle East

Soviet policy in this area could be described as a resolute and skilful determination to exploit any development to improve the Soviet position at the expense of the Western Powers. The situation in the Middle East was so fluid that this flexible Soviet policy was yielding good results.

Europe

The Soviet Union seemed at present to be content with the status quo in Europe, now that the situation in Eastern Europe had been restabilized, and there seemed little likelihood at present of any change in its policy with regard to Germany.

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4. The meeting came to the general conclusion that recent Soviet activities did not seem to involve any radical change in policy, but showed rather a growing confidence that the present foreign policy was the right one. This confidence was based on increasing capabilities in the defence field, recent successes in the Middle East, and the apparent re-establishment of the status quo in Europe.

5. Mr. Rettie suggested that it would be useful if further meetings of this type could be held from time to time (perhaps once a month) at which recent Soviet activity in the political and defence fields might be discussed. As there was general support for this suggestion, Mr. Southam said that Defence Liaison (2) Division would be glad to convene such meetings, should the Heads of the Divisions concerned agree that they should be held.

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IN REPLY PLEASE QUOTE

NO. CSC 7-17 (JIC)

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

129

16 Sep 57

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MEMORANDUM FOR THE JIC:

Soviet Summary - Service Exercises
and Political Moves

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SEP 17 1957

1. Further to memorandum on this file dated 13 Sep 57 requesting that contributions to this summary be forwarded to reach the Secretary by 20 Sep.
2. Kindly note that contributions by members to this summary should cover Soviet service exercises only. The analysis of recent Soviet political moves is being prepared by the Department of External Affairs, and this study will be combined with the summary of Soviet service exercises into a draft JIC paper.

[Handwritten signature: G.P. Hartling]
 (G.P. Hartling)
 Major,
 Secretary.

GPH/2-5459/ff

c.c. CB NRC
JIS(5)

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gus/LLH
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IN REPLY PLEASE QUOTE
NO. CSC 9-27 (JIC)



Department of National Defence

JOINT INTELLIGENCE COMMITTEE

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16 Sep 57

X ref on 659-40

MEMORANDUM FOR THE JIC:

Visit to Canada of Soviet Schooner "Zarya"

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1. Reference is made to memorandum dated 3 Sep 57, from the Acting Under-Secretary of State for External Affairs to the Secretary JIC, on this subject, copies of which were forwarded under file CSC 9-27 on 3 Sep 57.

2. Attached for information are copies of the following:

- (a) Correspondence received by Dr. R.C. Madill of the Department of Mines and Technical Surveys in connection with the visit to Halifax of the Soviet survey vessel "Zarya".
- (b) Memorandum dated 6 Sep 57 from the Secretary of the Visits Panel.

SEP 17 1957

Handwritten note:
R-100 in memo in
Halifax file 44B

G.P. Hartling
(G.P. Hartling)
Major,
Secretary.

Encs.

GPH/2-5459/ff

c.c. CB NRC
JIS(5)

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OPY

DEPARTMENT OF EXTERNAL AFFAIRS

Ottawa, September 6, 1957.

Secretary,
Joint Intelligence Bureau,
Department of National Defence,
Ottawa, Ontario.

Visit of Soviet Schooner "Zarya"

I refer to our letter of September 3.

Attached are copies of the correspondence which Dr. R.C. Madill of the Department of Mines and Technical Surveys has received in connection with the visit to Halifax of the Soviet survey vessel Zarya.

You will note that Professor Pushkov writes on the letterhead of the Institute for Scientific Research of Terrestrial Magnetism, the Ionosphere, and the Propagation of Radio-Waves, - of the Ministry of Telecommunications of the USSR. It would therefore appear that this Ministry may have the major interest in the work of this vessel.

(Sgd.) C.J. Webster

Secretary, Inter-departmental Panel
on the Exchange of Visits with
Communist Countries

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60 P Y

UNION GEODESIQUE ET GEOPHYSIQUE INTERNATIONALE

ASSOCIATION DE GEOMAGNETISME ET D'AERONOMIE

Charlottenlund, 17th August 1957

Dr. R. Glenn Madill,
Chairman, Committee on Magnetic Charts, IAGA,
Chief, Division of Terrestrial Magnetism,
Dominion Observatory,
Ottawa, Ontario, Canada.

Dear Dr. Madill,

First of all I wish to thank you for your letter of the 9th August 1957, with the very welcome news that you have appointed Dr. K. Whitham of your staff to act as assistant Secretary in the Bureau of the IAGA during the Toronto meeting. I feel convinced that the assistance of Dr. Whitham will be extremely valuable and I am looking forward to meeting him.

Addressing then the Chairman of the Committee on Magnetic Charts I should like to draw your attention to point 1 of the enclosed letter from Prof. Pushkov. I think it would be all right for the Association to pass a resolution, noting with satisfaction the putting into service of the non-magnetic ship "Zarya" and expressing the wish that other maritime nations consider the possibility of constructing one more ship of the same type. Nor can I see why the Association should not pass a resolution recommending that the work of the "Zarya" be continued also after the IGY. We can discuss the matter when we meet in Toronto.

The "Zarya" passed Copenhagen early this week; from Copenhagen the ship is going to London and from there it is supposed to go to a Canadian port.

Looking forward to seeing you in Toronto I remain

with kind regards
Yours sincerely,

V. Laursen.

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C P Y

INSTITUTE FOR SCIENTIFIC RESEARCH OF TERRESTRIAL
MAGNETISM, THE IONOSPHERE, AND THE PROPAGATION OF
RADIO-WAVES, -- OF THE MINISTRY OF TELECOMMUNICATIONS
OF THE U.S.S.R.

13 August 1957.

Dear Sir:

I think it will be of interest to you to know that our Institute nonmagnetic schooner "Zarya" has started its magnetic measurements in the oceans. In September it will come to Halifax (New Scotland) to take fresh water and provisions.

I shall be very glad if you and your colleagues visit the schooner at that time and get acquainted with its work and equipment. If you wished to visit our schooner, be so kind as to write me your telegraph address for information you of the time of the schooners arrival at Halifax. My cable address is MOSCOW NIZMIR.

Awaiting your reply

Sincerely yours

Pushkov

Dr. R.C. Madill
492 Driveway
Ottawa No. 1
Ontario
Canada.

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C O P Y

Letter from Prof. N. Pushkov

8th August 1957

Dear Dr. Laursen,

I should like to put before you a few ideas relating to the forthcoming Toronto Assembly of the Association of Geomagnetism and Aeronomy.

1. On a world magnetic survey

It seems to me that it would be useful if the Association applied to all maritime nations and first and foremost to USA and Great Britain, inviting them to follow the example of the USSR and to build just one more non-magnetic ship for the carrying out of magnetic surveys over the oceans.

It would be well if the Association expressed a wish to the effect that the magnetic survey work which "Zarya" is actually carrying out over the oceans should be continued also after the International Geophysical Year.

2. On the institution of an Association medal

It seems to me that it would be useful to institute an Association medal which should be bestowed upon an individual scientist or a group of scientists for outstanding work in the domain of geomagnetism and aeronomy.

The assignment of the medal could take place every three years through a special committee appointed by the Association. The presentation of the medal could take place at the General Assemblies of the Association.

In Toronto a committee might be appointed which should be charged with the preparation of the regulations for the Association medal and rules for its assignment.

3. On the study of the history of the geomagnetic science

We do not pay sufficient attention to the study of the history of the geomagnetic science. I do not know one paper in which the development of the geomagnetic science during the last century, after the appearance of Gauss' papers, has been treated. The Association should in every way encourage an effort to the effect that a history of the geomagnetic science be prepared.

I think it would be useful to appoint a special committee on the history of the geomagnetic science, which committee should be charged with the preparation of a historical outline of the development of the geomagnetic science during the 19th and 20th Centuries. In the preparation of such an outline the cooperation of the National Committees of the Association in as many countries as possible should be invited.

4. On the collection of data concerning negative magnetic anomalies

Negative magnetic anomalies (anomalies with reverse polarity) present an outstanding interest. However, the geographical distribution of the negative anomalies over the globe still remain unexplored.

It seems to me that it would be useful if the Association passed a resolution to the effect that all the National Committees of the Association should provide Committee No. 4 (on Secular Variation and Palaeomagnetism) with data concerning negative anomalies in their respective countries, in order that the Committee might prepare a chart showing the distribution over the world of the negative anomalies.

With the best wishes for a prosperous meeting,

Yours sincerely,

Pushkov

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IN REPLY PLEASE QUOTE

No. CSC 9-27 (JIC)



Department of National Defence

JOINT INTELLIGENCE COMMITTEE

J/18

16 Sep 57

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MEMORANDUM FOR THE JIC:

Visit to Canada of Soviet Schooner "Zarya"

1. Reference is made to memorandum on this file of today's date.
2. Attached for information is a copy of a letter dated 9 Sep 57, from the Assistant Under-Secretary of State for External Affairs to Mr. W.C. Perron, Executive Director and Traffic Officer, National Harbours Board, concerning the visit of the Soviet survey vessel "Zarya" to Halifax.

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SEP 17 1957

[Handwritten signature]

[Handwritten signature: G.P. Hartling]
 (G.P. Hartling)
 Major,
 Secretary.

Enc.

GPH/2-5459/ff

c.c. CB NRC
JIS(5)

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C O P Y

September 9, 1957.

Dear Mr. Perron,

Dr. R.C. Madill, of the Dominion Observatory, has informed us that the Soviet Schooner, Zarya, plans to call at Halifax during September to take on provisions and fresh water.

It would appear that this non-magnetic survey vessel is operated primarily by the Institute for Scientific Research of Terrestrial Magnetism, the Ionosphere and the Propagation of Radio-Waves, and is carrying out work in connection with the International Geophysical Year.

The Soviet authorities are apparently anxious to persuade other powers to build and operate such vessels, and have offered to permit interested Canadians to inspect the Zarya when she calls.

It would be appreciated if you would grant this vessel the normal courtesies when she arrives, and, if possible, would let us know as soon as possible of her date of arrival and of her length of stay.

Yours sincerely,

(Sgd.) J.B.C. Watkins

Assistant Under-Secretary of State
for External Affairs.

W.C. Perron, Esquire,
Executive Director and Traffic Officer,
National Harbours Board,
West Block,
Ottawa.

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NO. CSC 7-17 (JIC).....



CANADA

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

JND

13 Sep 57

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MEMORANDUM FOR THE JIC:

Soviet Summary - Service Exercises and Political Moves

- Reference is made to the decision of the 561st meeting that a summary of Soviet service exercises and Soviet political moves in 1957 would be considered at the meeting of the Committee on 25 Sep 57.
- It is requested that contributions to this summary be forwarded to reach the Secretary by 20 Sep 57.
- Your attention is drawn to memorandum CSC 2-1-3-6 (JIC) dated 31 Jan 57 concerning the supply of material to the Secretary.

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SEP 16 1957

*Mr Black: you have this in hand I believe
gus/DLC
Sep 17
for 4/11*

G.P. Hartling
(G.P. Hartling)
Major,
Secretary.

GPH/2-5459/ff

c.o. CB NRC
JIS(5)

European/P.M.Roberts/sg

FILE

~~ALCOBY~~

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duplicate

Ottawa, September 3, 1957.

*over on
654-40*

50028-8-40
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The Secretary,
Joint Intelligence Committee,
Department of National Defence,
Ottawa, Ontario.

Visit to Canada of Soviet Schooner "Zarya"

We understand from Mr. R.G. Madill of the Department of Mines and Technical Surveys that the Soviet schooner Zarya, a non-magnetic ocean survey vessel, will call at Halifax sometime during September to take on water and provisions.

Mr. Madill, who has some responsibility for the conference of Geodesy and Geophysics to open in Toronto on September 3, first heard of the Zarya from a Dr. Larsen in Copenhagen, who sent to Mr. Madill a copy of a letter from the Soviet authorities concerning the Zarya and her visit to Copenhagen. Later, Mr. Madill received from a Professor Pushkov in the Soviet Union a personal letter informing him of the visit of the Zarya to Halifax and inviting him to inspect her there. She is apparently part of the Soviet effort for the IGY, and I understand that the Russians are anxious to persuade the British and the Americans to build similar vessels for ocean survey.

Mr. Madill is going to send me copies of the letters on this subject, from which we should be able to tell what Soviet organization is responsible for the Zarya. We shall of course send you copies of these letters when we receive them.

A. J. PICK

AJP Acting Under-Secretary of
State for External Affairs

cc: D.L.(2)

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D.L.(2)

G. H. Southam, Inc.

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

TO: EUROPEAN DIVISION

Security CONFIDENTIAL

FROM: DEFENCE LIAISON (2)

Date September 3, 1957

REFERENCE: PICK-SOUTHAM TELEPHONE CONVERSATION

File No.
50028-B-40
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—

AUGUST 30

SUBJECT: POSSIBLE VISIT OF SOVIET RESEARCH VESSEL "ZARJA" TO HALIFAX

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This will confirm what I told Mr. Pick ^{Friday} this afternoon, that the Acting DNI had just telephoned to enquire whether we had any information about the possibility that a Soviet research vessel, the Zarja, was soon to visit Halifax. Commander Stowell told me that Lloyds of London, who keep DNI informed of all shipping movements, had notified them that the Zarja had sailed from London August 23 for Halifax. It was not known how long the voyage would take, so her arrival date in Halifax is quite uncertain. Commander Stowell further told me that on making enquiries of JIB about this visit, he learned that Mr. R.G. Madill of the Geophysical Laboratory of the Dominion Observatory in Ottawa could perhaps provide some information. I understand that Mr. Pick plans to get in touch with Mr. Madill. I should be grateful for any information which your division could let me have about the visit for the benefit of the JIC.

CIRCULATION

gms
Defence Liaison (2) Division

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TOP SECRET

DEFENCE LIAISON (1) DIVISION
EUROPEAN DIVISION
ECONOMIC DIVISION

September 5, 1957

DEFENCE LIAISON (2) DIVISION

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Subject

The Soviet Atomic Energy Programme.

→ 50028-B-40

Done 6/9/57
RN

I am enclosing with this memorandum a copy of a United States National Intelligence Estimate on the Soviet Atomic Energy Programme. I would particularly recommend your reading chapters 1, 2, 7 and 9. Among the conclusions that have been reached by the U.I.C. are

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SEP 11 1957

- (1) A total of sixteen nuclear tests have been detected since January 1956 (it is now seventeen) including four thermonuclear tests with yields between one-half and three megatons as opposed to a total of nineteen tests detected during the period 1949-1955.
- (2) There is substantial evidence that the USSR is continuing to expand both its military atomic energy activities and its programme for the non-military use of atomic energy. Although a substantial nuclear power programme is still envisaged by the USSR its initial goals have apparently been reduced to more realistic objectives. In general non-military applications are being fostered on a broad base both within the USSR and in international programmes that reach all countries within the Soviet Bloc and that endeavour to compete with the West in the courtship of all significant neutral powers.
- (3) The USSR has a broad scientific base in the nuclear sciences and is competent to continue making important progress not only in fundamental research but also in improving nuclear weapons and integrated weapon systems. In experimental nuclear physics, Soviet capability is now estimated to be second only to that of the United States and will continue to improve.

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- (4) The report estimates that the Soviet atomic energy programme will continue to enjoy the very high priority that has been accorded to it in the past.
- (5) Commencing with the first Soviet nuclear test conducted in August 1949, a total of 37 tests have been detected in which plutonium, uranium-235, and in one instance uranium-233 have been used as the fissionable materials. There is evidence that the USSR is making a concerted effort to perfect a variety of improved nuclear weapons, particularly those employing thermonuclear principles. Test activities in 1956 extended throughout the entire year, from 2 February until 14 December, and included nine detonations. The majority of these detonations involved tests of thermonuclear devices and weapons. In addition, seven tests have been conducted during the first four months of 1957. Altogether, five thermonuclear tests with yields of from one-half up to about three megatons have been carried out.
- (6) It is significant that there has been evidence during the past 18 months of development and testing of nuclear warheads in guided missiles.
- (7) The Soviets are engaged in a comprehensive reactor development programme which will permit them to keep generally abreast of world progress in this field. They have had one small prototype power reactor with a capacity of five electrical megawatts (EMW), in operation since June 1954, which although inefficient, has permitted useful experimental studies in power reactor operation.
- (8) The USSR has continued its role as an active participant in international atomic energy activities including scientific conferences and the negotiations to establish an International Atomic Energy Agency. The Joint Nuclear Research Institute, located at Dubna near Moscow, was created in 1956 to serve as the focal point of Sino-Soviet Bloc technical cooperation. Arrangements for furnishing swimming pool type research reactors, particle accelerators, radioisotopes and technical training of personnel to Bloc countries are continuing and delivery of the actual reactors is scheduled for 1957. In addition, plans have been announced for construction of power reactors with Soviet assistance in Czechoslovakia, East Germany, Hungary and Rumania. Aid agreements have been reached with Yugoslavia and Egypt,

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similar to those with Bloc countries, although difficulties have arisen in implementation of the Yugoslavian agreement. We estimate that the USSR will continue to make offers of technical aid as well as assistance in the construction of power stations both within the Bloc and possibly to non-Bloc countries, and that the USSR has the capability of fulfilling such commitments. The Soviets allege that they will impose no restriction on the use or disposition of nuclear materials in their aid programme.

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DEFENCE LIAISON (2) DIVISION

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IN REPLY PLEASE QUOTE
NO. CSC 9-27 (JIC)

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

Spec'd to Dube.

23 Aug 57

J/16

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MEMORANDUM FOR THE JIC:

Canadian-Soviet Bloc Amateur Radio Activity

1. Reference is made to Item XI of the minutes of the 558th meeting of the Committee.
2. Attached for information is a copy of a memorandum on this subject which was forwarded to the Secretary, JSC, today.

G.P. Hartling
 (G.P. Hartling)
 Major,
 Secretary.

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AUG 26 1957

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Department of National Defence

IN REPLY PLEASE QUOTE

No. CSC 9-27 (JIC)

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JOINT INTELLIGENCE COMMITTEE

23 Aug 57

Secretary,
Joint Security Committee.

Canadian-Soviet Bloc Amateur Radio Activity

1. The purpose of this letter is to solicit the advice of the Joint Security Committee with respect to the feasibility and utility of establishing within the Canadian intelligence structure a group of selected amateur radio operators to further within its terms of reference the internal security of Canada.
2. At its 542nd meeting on 17 Apr 57 the JIC discussed a memorandum from the RCMP concerning increased Canadian-Soviet bloc amateur radio activity. Unable to determine departmental responsibility for observing and reporting on such activity because of unfamiliarity with the technical aspects of amateur radio communications, the JIC referred the memorandum to the JTC for comment. This comment was received in a brief to the JIC dated 19 Jul 57, and among the recommendations was one to the effect that "no special monitoring organization be established to monitor Canadian amateur activities with the amateurs of the USSR and satellite countries. If the manpower, equipment and finances are available for monitoring, JTC considers that it could be used to greater advantage in monitoring our own domestic radio circuits in an effort to improve security".
3. The foregoing JTC recommendation was at variance with the following recommendations which had previously been made by the RCMP to Lt.-Col. McCauley on 29 Apr 57:
 - (a) The selection of a number of radio amateurs in various parts of Canada to be briefed to perform a monitoring role on Canadian-Soviet bloc radio amateur activity.
 - (b) Examination to be made of performing such briefings through a service intelligence representative in each area who would be responsible for:
 - (i) maintaining the interest of radio amateurs selected; and
 - (ii) forwarding the results to Ottawa for analysis.
4. Convinced that a nucleus of selected amateur radio operators could inter alia be of use in the detection of clandestine transmissions (a Voluntary Radio Service (VRS), established at a comparatively small financial outlay in the UK, has operated successfully in this field for many years), the RCMP included in its comments on the JTC recommendations the proposal to set up a VRS-type organization in Canada.
5. After some discussion on this item at the 558th meeting on 21 Aug 57, the JIC agreed to refer it to the JSC. At this meeting Col. Tate, in his capacity as Chairman, JSC, stated that representatives of CB NRC and the RCMP would be invited to attend the JSC meeting when this item is considered.


(G.F. Hartling)
Major,
Secretary.

GPH/2-5459/ff

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IN REPLY PLEASE QUOTE

NO. CSC 9-27 (JIC)



Department of National Defence

JOINT INTELLIGENCE COMMITTEE

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9 Aug 57

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MEMORANDUM FOR THE JIC:

Canadian-Soviet Bloc Amateur Radio Activity

1. Reference is made to the decision of the Committee at the 557th meeting on this subject.
2. Attached is a copy of a draft letter to JSC on this subject as prepared by the Director of Security and Intelligence, RCMP.
3. This item will be considered at the meeting of the Committee on 21 Aug 57.

AUG 14 1957

*approved
to file
gus
Aug 22*

G.P. Hartling
(G.P. Hartling)
Major
Secretary

Enc.

GPH/2-5459/gsb

c.c. CJS
CB NRC
JIS (5)

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S E C R E T

Canadian - Soviet Bloc Amateur Radio Activity

1. At its 542nd meeting on 17th April, 1957, the Joint Intelligence Committee discussed a memorandum from the R.C.M.P. concerning increased Canadian - Soviet Bloc amateur radio activity. Unable to determine departmental responsibility for observing and reporting on such activity because of unfamiliarity with the technical aspects of amateur radio communications, the Joint Intelligence Committee referred the memorandum to the Joint Telecommunications Committee (JTC) for comment. This comment was received in a brief to the Joint Intelligence Committee dated 19th July, 1957, and among the recommendations was one to the effect that "No special monitoring organization be established to monitor Canadian amateur activities with the amateurs of the U.S.S.R. and satellite countries. If the man-power, equipment and finances are available for monitoring, J.T.C. considers that it could be used to greater advantage in monitoring our own domestic radio circuits in an effort to improve security".

2. The foregoing J.T.C. recommendation was at variance with the following recommendations which had previously been made by the R.C.M.P. to Lt. Col. McCauley on 29th April, 1957:

(a) The selection of a number of radio amateurs in various parts of Canada to be briefed to perform a monitoring role on Canadian - Soviet-Bloc radio amateur activity;

(b) Examination to be made of performing such briefings through a Service intelligence representative in each area who would be responsible for

(1) maintaining the interest of radio amateurs selected, and

(2) forwarding the results to Ottawa for analysis.

.....2

- 2 -

3. Convinced that a nucleus of selected amateur radio operators could inter alia be of use in the detection of clandestine transmissions (a Voluntary Radio Service (VRS), established at a comparatively small financial outlay in the U.K., has operated successfully in this field for many years), the R.C.M.P. included in its comments on the J.T.C. recommendations the proposal to set up a VRS-type organization in Canada. After some discussion on this point in the Joint Intelligence Committee (557th meeting, 7th August, 1957), it was decided to refer the question to the Joint Security Committee.

4. The purpose of this letter is therefore to solicit the advice of the Joint Security Committee with respect to the feasibility and utility of establishing within the Canadian intelligence structure a group of selected amateur radio operators to further within its terms of reference the internal security of Canada.

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IN REPLY PLEASE QUOTE

NO. CSC 9-27 (JIC).....

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE



J 18
19 Jul 57
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Postponed to 31 July
[Signature]

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a file in E. J. H.

MEMORANDUM FOR THE JIC:

Canadian-Soviet Bloc Amateur Radio Activity

- Reference is made to Item XII of the 542nd meeting.
- Attached is a copy of comments by the JIC on this subject dated 19 Jul 57.
- This item will be considered at the meeting of the Committee on 24 Jul 57.

JUL 22 1957

considered by JIC
DJB
gms
DL (1)
Aug 7

[Signature]
(G.P. Hartling)
Major
Secretary.

Enc.

GPH/2-5459/ff

c.c. CJS
CB NRC
JIS(5)

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QUOTE NO. CSC 9-27 (JTC)

Department of National Defence

Ottawa, Canada.

SECRET

Joint Telecommunications Committee

19 Jul 57

Secretary
Joint Intelligence Committee

Canadian-Soviet Bloc Amateur Radio Activity

1 Reference is made to your memorandum dated 23 Apr 57.

2 This matter has been the subject of investigations and discussions by JIS under the direction of JTC for the past two months. Considerable assistance in this regard was forthcoming from the following who have a first-hand knowledge of Canadian radio amateur activity:

Officials, Department of Transport (Telecommunications Branch)

W/C JW McCalla, RCAF (DComs Staff)

Mr O Sandoz, DRB, DRTE

Mr Alex Reid, Canadian Director, American Radio Relay League.

3 The following facts were established as the result of the above investigations and discussions:

- (a) There has been a definite increase in the radio amateur activity of USSR and satellite countries. This increase in activity is due to a relaxation of USSR controls rather than to an improvement in wave propagation characteristics of which there is some evidence but not sufficient to justify the increase by itself. This is borne out by the appearance of "private" stations on the air as well as "collective" (club) stations and the receipt of individualized cards instead of the standard stylized types.
- (b) Radio amateurs, as a group, are well known to be extremely conscious of their rights (and privileges) to use their exclusively designated radio bands. In fact, amateur operations and any other operations within the amateur bands are policed not only by the radio regulatory authorities but also very closely by the amateur membership at large.
- (c) Among radio amateurs, a popular hobby is DX'ing, ie the pursuit of "rare" countries, rare because amateur activity is unusual or infrequent. The end desired is the receipt of a card from the "rare" station confirming the contact. The exchange of information during such contacts is routine and almost stereotyped - the rarer the station, the more important is briefness, since many other amateurs are waiting in line for a chance to gain another rare contact. This routine exchange of information normally includes, location, signal strength, first name or nickname, transmitter power, type of antenna, etc. It is generally agreed that little, if any, worthwhile information is passed in this manner.

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- 2 -

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- (d) The pursuit of amateur radio contacts as a source of intelligence is not considered a profitable one. Larger dividends would accrue from a passive role, ie monitoring domestic amateur contacts or other radio activities. It would seem that a logical outcome to this fact would be to alert all users of radio, amateur, governmental agencies and commercial businesses that the correlation of bits of information, individually harmless, might result in something valuable to "enemy" intelligence.
 - (e) Canadian and United States amateurs are banned from contacting CAMBODIA, INDONESIA, IRAN, KOREA, LAOS, THAILAND and VIET-NAM. The reason for this ban is the objection filed by these countries in accordance with the Radio Regulations annexed to the International Telecommunications Convention (Buenos Aires 1952). Department of Transport (Telecommunications Branch) circular 5-7-256 imposed this ban several years ago. It is still in effect.
 - (f) Mr Reid has confirmed that the officials of the American Radio Relay League at their Hartford, Connecticut, meeting 17 May 57 were in agreement that the majority of amateur radio contacts with the USSR or satellite countries consists of exchanging the minimum information required to establish a DX contact and that little, if any, worthwhile information is being passed during these contacts.
- 4 In view of the above facts, JTC recommends that:
- (a) No restrictions be imposed on Canadian amateur activity with amateurs of the USSR and satellite countries.
 - (b) No special monitoring organization be established to monitor Canadian amateur activities with the amateurs of the USSR and satellite countries. If the man-power, equipment and finances are available for monitoring, JTC considers that it could be used to greater advantage in monitoring our own domestic radio circuits in an effort to improve security.
 - (c) All users of radio transmitters in Canada be alerted to the fact that correlation of bits of information, though insignificant by themselves, might result in something valuable to "enemy" intelligence.



(PM Moss)
Secretary

Joint Telecommunications Committee

FJMcC/6-6065/AdeG

DEPARTMENT OF EXTERNAL AFFAIRS

CROSS REFERENCE SHEET

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REDUIT A SECRET
Security *TOP SECRET*

50028-B-40		
43		

Type of Document..... *Letter* No..... *CSC 7-17 (JIC)* Date..... *27 June 57*
CSC 1824-1 (JIC)
From..... *JIC*
To..... *EA*

Subject: *U.K. JIC document JIC(57)59 dated May 30, 1957*
Progress in Russian Research and Development since Jan. 1957

Original on File No..... *50028-T-40*
Copies on File No.....
Other Cross Reference Sheets on.....

Prepared by..... *[Signature]*

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CANADIAN EYES ONLY

June 26, 1957

pc
1/2

Secretary,
Joint Intelligence Committee,
Department of National Defence,
O t t a w a.

50028-B-40	
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United Kingdom Views on Relations
with the Soviet Union

I am enclosing 17 copies of telegram No. 1497 dated June 20, 1957 from the Office of the High Commissioner in London setting out the views of the United Kingdom Foreign Office on relations with the Soviet Union as prepared for the Commonwealth Prime Ministers' Conference. I consider this is an extremely able brief, well worth reading in full and I would appreciate it if you would circulate copies to members of the JIC.

(signed) G. G. CREAM.

Chairman
Joint Intelligence Committee

**Pages 776 to / à 780
are withheld pursuant to sections
sont retenues en vertu des articles**

13(1), 15(1)

**of the Access to Information Act
de la Loi sur l'accès à l'information**



CANADA

J1

IN REPLY PLEASE QUOTE
NO. CSC 7-17 (JIC)

Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

29 May 57

*File
4-11*

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MEMORANDUM FOR THE JIC:

Suspected Soviet Reconnaissance
Balloons over Canada

*Cons up on
50211-40*

1. Reference is made to consideration of this subject by the Committee at the 548th meeting. Memorandum by the Director JIB, under file JIBS 266-2000-1 dated 29 May 57, on this subject follows for information:

"I understand from the Department of Transport, through Mr. Kennedy, that two unidentified balloons were reported by D.O.T. Vancouver on May 7th and 8th. They were sighted at 28,000 ft., one over Quesnel and the other over Hope. I understand that five more have been reported since by the RCAF but have no details.

"A check was made by D.O.T. through U.S.N.A. Ottawa and it has been established that they are not U.S.N. weather balloons. The U.S.N. programme for the release of weather balloons to cross the Pacific starts June 17th.

"It is extremely unlikely that they are normal meteorological balloons released on the other side of the Pacific.

"They would appear to be special purpose balloons and are most likely to be of Soviet origin. They could either be carrying cameras or electronic equipment or be for weather reconnaissance.

"I recommend that:

- (a) Air Defence Command be asked to keep watch, to collect reports locally from D.O.T. and others and to intercept and shoot down any further balloons reported, at least until the nature of the programme is established.
- (b) CB NRC be asked to DF any transmissions from these balloons to assist A.D.C."

They were VSN

2. This item will receive further consideration at the meeting of the Committee on 5 Jun 57.

G.P. Hartling
(G.P. Hartling)
Major,
Secretary.

GPH/2-5459/ff

c.c. CJS
CB NRC
JIS(5)

D.L.(2)/E.T.GALPIN/VW

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50028 B. 40
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S E C R E T

Ottawa, May 24, 1957.

Major G.P. Hartling,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Room 4441, "A" Building,
O t t a w a.

*Done
May 24/57
G.H.*

I attach seven copies of a memorandum prepared in this department, dated 17 April, 1957, which reviews the background and explains the implications of "Khrushchev's Proposals on Administration and Finance" in the Soviet Union. The memorandum is covered by a departmental summary, dated 15 May, 1957, which brings it up to date.

I should be grateful if you would circulate these documents among members of the Committee.

G. H. SOUTHAM
G.G. Crean
Chairman,
Joint Intelligence Committee

J.E. Bennett

50028-BC-40
 43 -

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RESTRICTED
 JIBS. 922-2790-1

21 May 1957.

*File
 E.T.G.*

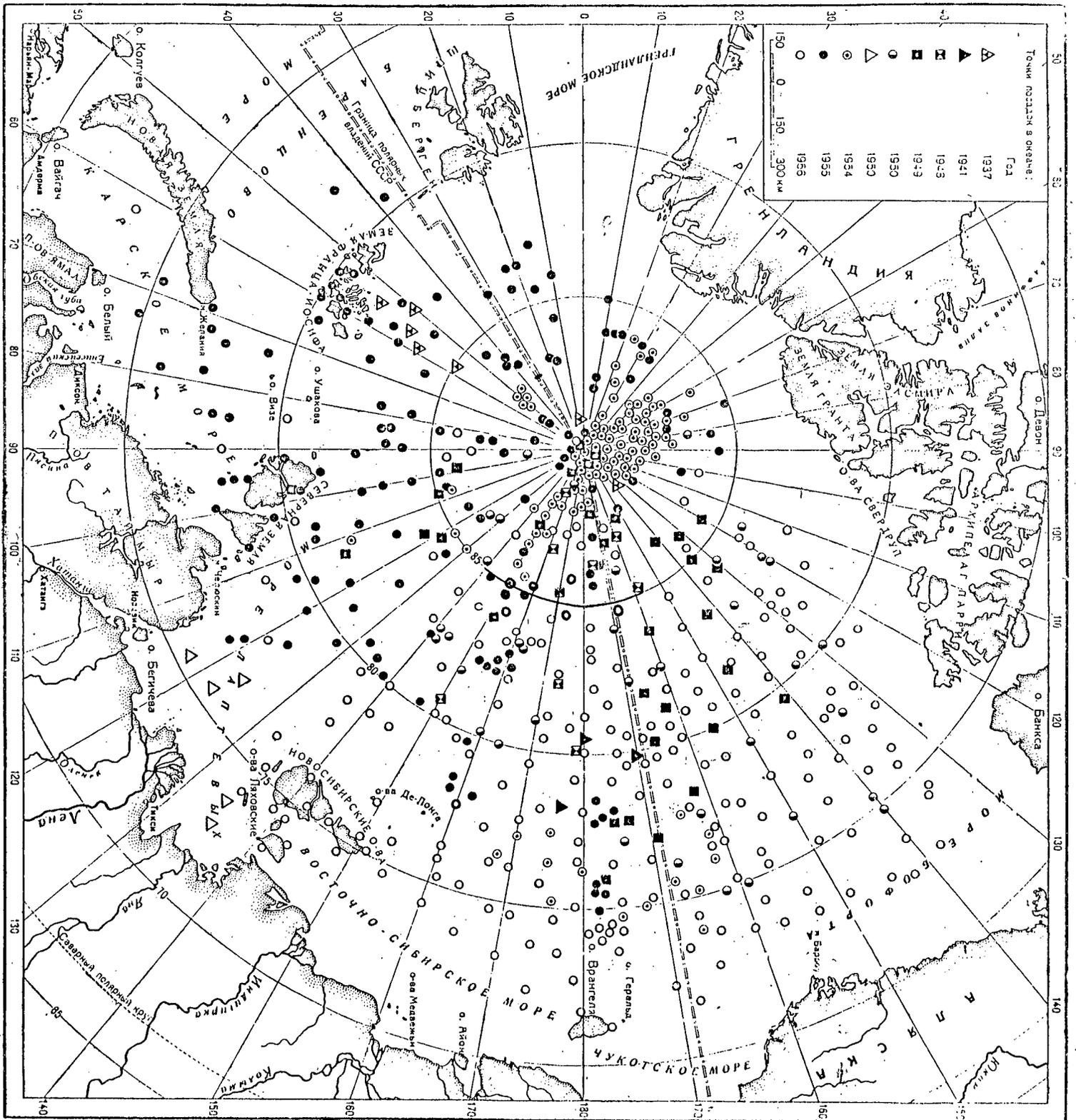
INTELLIGENCE BRIEF

FROM: J.I.B. Ottawa
 SUBJECT: Soviet Landing Sites in Polar Basin.
 SOURCE: See below.
 DATELINE OF REPORT: 1957

- The attached map is reproduced from a book CHEREZ OKEAN NA DREIFUYUSHCHIKH L'DAKH ("Across the Ocean on Drifting Ice-Floes") edited by V.F. Burkhanov. (Moscow: National Press for Geographical Literature, 1957). The map is attached to the first article in this book, which is a summary article written by V.F. Burkhanov. Burkhanov has been known as Head of the Chief Directorate of the Northern Sea Route.
- The map shows the points at which landings on the Polar Basin were made by Soviet aircraft in the years 1937, 1941, 1948, 1949, 1950, 1954, 1955 and 1956. These points appear to be associated with Soviet High Latitude Mobile Air Expeditions.
- The following analysis of the contents of this map is based on rapid counts, and is subject to minor error:

YEAR	NUMBER OF LANDING SITES				COMMENT	
	Total	Area N of USSR	Area N of Alaska	Area N of Canada		
1937	7	5		1	1	Two near North Pole. Remainder near Franz Joseph Land.
1941	3	3				All near Pole of Relative Inaccessibility.
1948	3	3				Between New Siberian Islands and North Pole.
1949	30	12	13	5		Widely scattered.
1950	30	12	8	10		Widely scattered.
1950	5	5				In Laptev Sea.
1954	99	33	6			Remaining 60 near North Pole in areas north of Alaska, Canada and "Other".
1955	132	103	2	6	21	Widely scattered, but mainly within Soviet area.
1956	203	117	51	35		Widely scattered, but on Pacific side of Polar Basin.

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European C. J. Webster / sg
N.B. Forwarded to
20 pages to Mr. Black
D.L.
When we forward
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May 15, 1957.

50078-B-40
58 ✓

~~SELECTED DOCUMENT (Priority)~~

②
Re-Organization of the Soviet Economic Administration

Since the death of Stalin, the Soviet Government has been concentrating on measures to increase productivity in order to maintain a high annual rate of growth, and a number of steps have been taken, including some de-centralization, to stimulate local initiative. Since last December, the leadership has been grappling with the de-centralization of the daily economic administration. On March 30, Khrushchev proposed this major step. A week later, he also called for the abolition of the state loan. ~~The attached memorandum reviews the background and explores the implications of these proposals.~~

2. After five weeks of public discussion, the Supreme Soviet passed a law on May 10 calling for the de-centralization of the economic administration by the end of June. Some ten ministries are to be dissolved at the Union level, four are to be merged into two, and fifteen which function at both union and republican levels are to be abolished at the Union level. The Supreme Soviet has called for the eventual dissolution of the latter at republican level as well. This means that about ten industrial ministries will be retained in Moscow. The functions of the abolished ministries will be delegated to some ninety-two new territorial councils. The national long-term planning authority will be retained and re-organized, and the short-term body abolished, its functions being delegated to the ~~territorial and~~ republican authorities.

3. The discussion has revealed that ~~a~~ considerable amount of opposition to the scheme exists among the bureaucracy, and, in that the law has provided for the retention of certain national ministries, the Western press has seen this as a compromise with the more conservative elements. But those ministries which have been retained are concerned with acute problems of national interest, such as defence, atomic and electrical power, and agriculture. The compromise, if any, reduces to the retention for the time being of fifteen industrial ministries at republican level.

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- 2 -

4. A high-powered commission has been established to implement this law, and precise channels of administration and finance have yet to be worked out. Khrushchev has said that the change will mean, among other things, the departure of 40,000 bureaucrats from Moscow. Many important personnel will have to be shifted to new appointments. Baibakov, who headed the ~~short~~^{long}-term planning body, has taken over the most important short-term planning post under the new organization, that of the RSFSR. Pervukhin, who headed the ~~long~~^{short}-term body, has taken over the atomic energy programme and ~~has been replaced by~~ Kuzmin, a relatively unknown Party functionary and technocrat, ~~has taken over the~~ *re-organized Gosplan.*

4. There is little doubt that de-centralization will in time stimulate a rise in output, but it is not clear how far this will be the case, since the new organization will be more vulnerable to conflicts between regional interests. The change will require at least several months to be fully implemented, and, if successful, will almost certainly necessitate the reorganization of the Party.

(*Departmental*
~~Our memorandum for the Minister of April 17, 1957~~).

D.L.(2)/E.T.GALPIN/vw

BEST AVAILABLE COPY DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

DOWNGRADED TO SECRET
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TO: DEFENCE LIAISON (1) DIVISION

 FROM: DEFENCE LIAISON (2) DIVISION
 REFERENCE:

 SUBJECT: SOVIET NUCLEAR EXPLOSIONS IN 1957

Security TOP SECRET
 CANADIAN EYES ONLY

Date May 8, 1957

File No.
 50028-B-40

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MAY 10 1957

As of 7 May, 1957, the Soviet Union had conducted seven nuclear tests this year. The first took place at a location east of Stalingrad (50N47E) and it is believed to have been of a nuclear warhead in a guided missile. The other tests all occurred at the Semipalatinsk proving grounds and they are believed to have been of airburst weapons. Dates and estimated yields of these explosions are as follows:

"19 January	1 - 15 KT
8 March	20 - 200 KT
3 April	20 - 200 KT
6 April	30 - 300 KT
10 April	250 - 2500 KT
12 April	10 - 100 KT
16 April	250 - 2500 KT

CIRCULATION

...../2

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- 2 -

The series revealed no trend toward "cleaner" weapons such as was evident during the 1956 U.S.A. series in the Marshall Islands. Each test in the Soviet series appeared to be accompanied by the formation of relatively large amounts of radioactive debris.

Continued testing of medium and high-yield "dirty" weapons at Semipalatinsk is rather surprising in view of the location of this test site and in view of the obvious defensive applications of "cleaner" weapons. It may be that thinking in the Soviet Union is still largely in terms of offensive operations and that the contamination feature of such weapons is regarded as a welcome extra bonus, or it may be that the Soviet Union has not yet been able to develop a "clean" weapon.



DEFENCE LIAISON (2) DIVISION.

Similar memorandum to: United Nations Division
European Division

000788

Handwritten notes:
 10/1/57
 10/1/57
 10/1/57

Handwritten notes:
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50028-8-40
43

RESTRICTED

JIB BRIEF NO: 28

COPY NO: 2 of: 13

7 May 1957.

INTELLIGENCE BRIEF

PREPARED FOR: C.C.C.S.
 BY: J.I.B.
 SUBJECT: Soviet Drift Station North Pole 7.
 SOURCE: Department of Transport
 DATELINE OF REPORT: 5 May 1957.

ITEM:

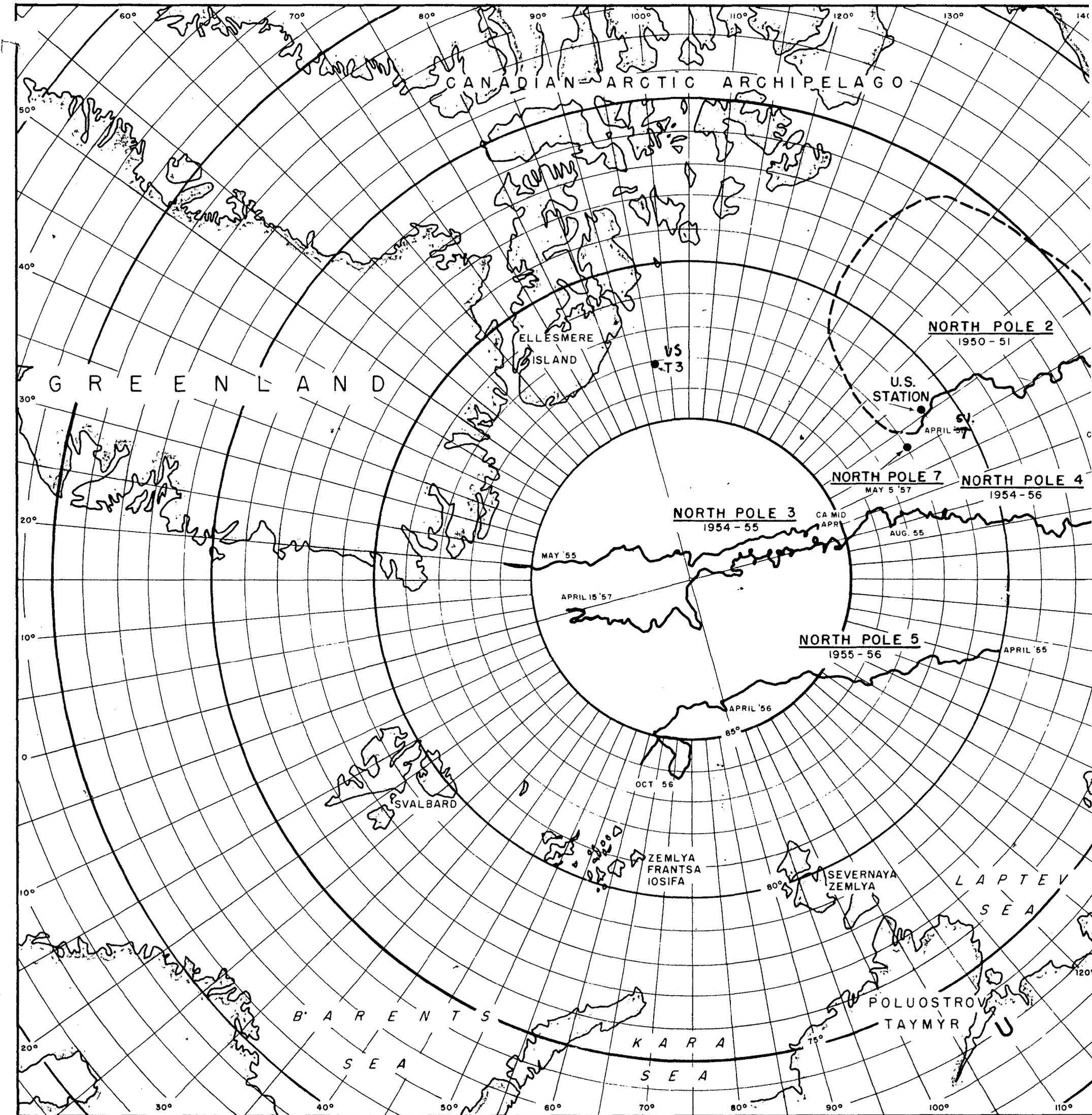
1. Weather broadcasts emanating from the newly mounted Soviet Scientific Drift Station North Pole 7 give the location of the station on 5 May 57 as 82° North and 164° West.

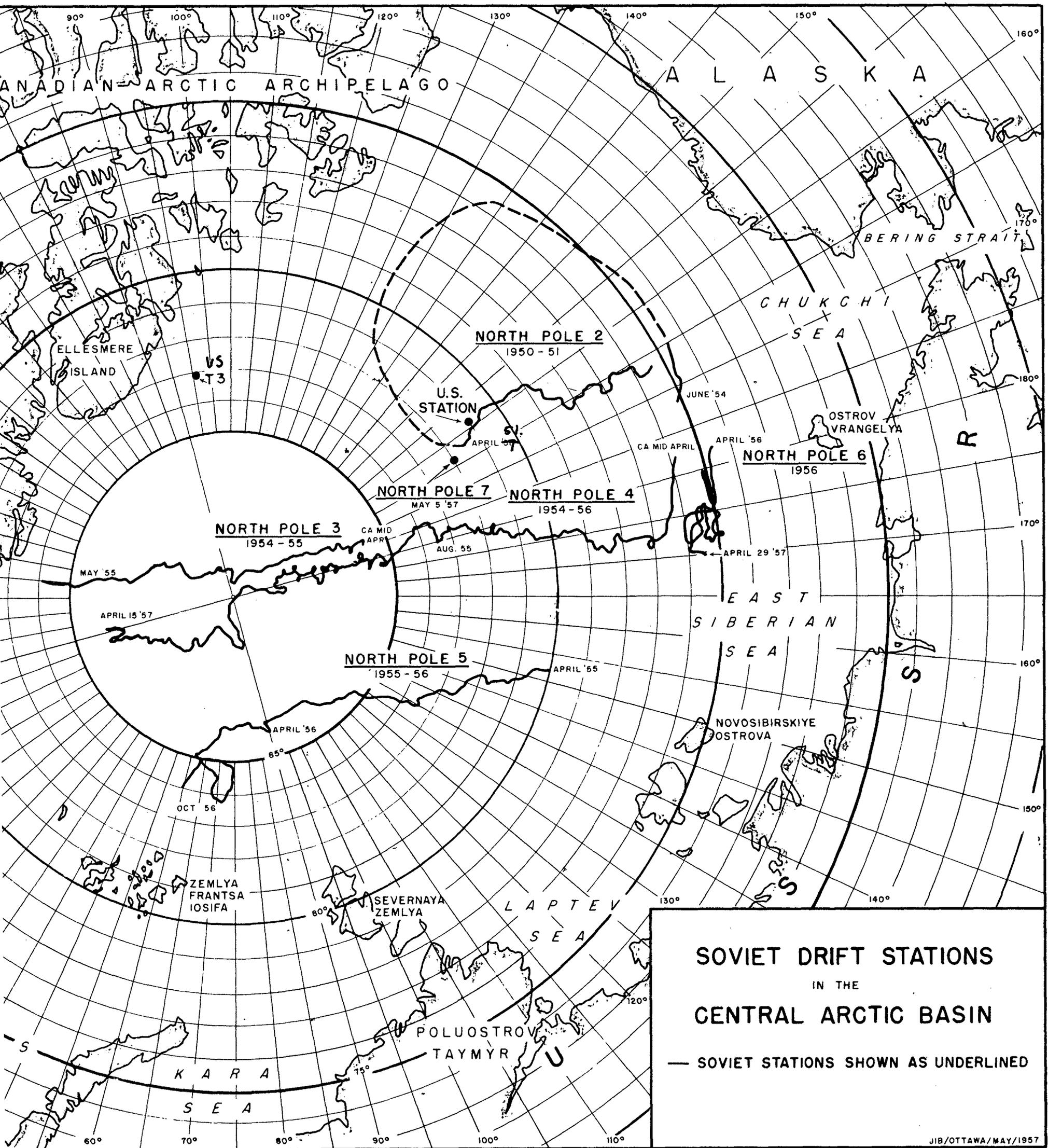
COMMENT:

2. The new Soviet station is located north of Alaska, only about 75-100 miles northwest of the westernmost American drift station. Its drift may carry it northward across the Central Polar Basin along a track parallel to that of North Pole 3. A drift of this type was envisaged when plans for the establishment of the station were announced earlier this year, although it was then intended that a site would be selected near the 85th parallel. The site now chosen for North Pole 7 is close to the point where North Pole 2 was abandoned in 1951. After its evacuation, North Pole 2 followed a clockwise drift, penetrating as far east as 135° west longitude and as far south as the 75th parallel. Regardless of whether North Pole 7 moves to the north or the east, however, by the spring of 1958 it will probably have entered waters between the Canadian mainland and the North Pole.

DISTRIBUTION

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D.A.I.	5
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Mr. Uren	7
Mr. Fish	8
R.C.M.P.	9
Mr. McGibbon	10
File	11-13





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IN REPLY PLEASE QUOTE
No. GSC 9-27 (JIC)

Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

*File No
H.N.B.*

*Letter to send to Joint Telecommunications Committee
to ask them advice before deciding whether there is
any intelligence value to be gained from 'Lans'.*

15 Apr 57

50028-B-40	
58	50

MEMORANDUM FOR THE JIC:

Canadian-Soviet Bloc Amateur Radio Activity

1. Attached is a memorandum dated 12 Apr 57 from the RCMP on this subject.
2. This item will be considered under "Other Business" at the meeting of the Committee on 17 Apr.

G.F. Hartling
 (G.F. Hartling)
 Major,
 Secretary.

Enc.

GPH/2-5459/ff

c.c. CJS
CB NRC
JIS(5)

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ALL CORRESPONDENCE TO BE
ADDRESSED:—

THE COMMISSIONER,
ROYAL CANADIAN MOUNTED POLICE,
OTTAWA

ROYAL CANADIAN MOUNTED POLICE

HEADQUARTERS "C" DEPARTMENT

IN REPLY PLEASE QUOTE

FILE NO. G 355-51

OTTAWA,

CANADA

12 April 1957.

S E C R E T

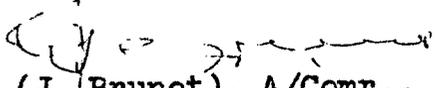
Canadian - Soviet-bloc Amateur Radio Activity

There have been recent indications of increasing interest shown by Soviet-bloc amateur radio operators in establishing contacts with Canadian "hams". A delicate source of unquestionable reliability revealed that during the period August 1956 to January 1957 approximately 400 contacts with Canadian operators were initiated by the Russians alone. In many cases the Russian operators duly followed up the contact with the dispatch of postcards giving details of the radio working and requesting a similar postcard in return.

2. This evidence of increased interest by the Soviet bloc in international ham activity is supported by a recent press statement made by a Canadian amateur radio operator to the effect that "hams from Russia and satellite countries have been increasing their activities in the last few months." He also stated that Hungarian amateurs are resuming contact following the almost complete cessation of activity at the start of the Hungarian revolt. New Zealand amateur radio operators some months ago reported similar contacts with the Soviet bloc and pointed out that this activity apparently ended a long period of isolationist tactics on the part of Soviet-bloc amateur radio operators.

3. Although we are in no position to assess the nature of this increase nor its significance, it is of interest to note that the highly-organized, government-directed Soviet amateur radio organization has in the past bombarded areas of particular political interest on a sustained basis.

4. We suggest that this matter (Canadian Contacts with Soviet-bloc Amateur Radio Operators) be discussed at a future meeting of the JIC in order to determine, if considered necessary, departmental responsibility for observing and reporting on such activity.


(J. Brunet), A/Comr.,
Director of Security and Intelligence.

Major G.P. Hartling,
Secretary,
Joint Intelligence Committee,
"A" Bldg.,
Ottawa, Ont.

IN REPLY PLEASE QUOTE

NO. CSC 2-1-3-6 (JIC)
CSC 7-17 (JIC)

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Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

266

1 Feb 57

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MEMORANDUM FOR THE JIC:

Revision of JIC Papers

1. Reference is made to Item VI of the 495th meeting of the Committee concerning consideration of the JIC Work Programme, copies of which were forwarded to members under CSC 2-1-3-1 (JIC) of 12 Jun 56.

FEB 4 1957

2. Attention is drawn to Appendix "A" of the Work Programme, Part 1, Items 3 and 4, covering JIC 181/1(56) entitled "Soviet Economic Penetration", distributed to members on 3 May 56, and a new paper on "Soviet Technical Penetration".

3. It will be noted from the Work Programme that the cut-off date indicated for these papers is 1 Mar 57, with contributions to reach the Secretary not later than 8 Mar 57.

4. Your attention is also drawn to memorandum CSC 2-1-3-6 (JIC) dated 31 Jan 57 concerning the supply of material to the Secretary.

5. This subject will be considered at the meeting of the Committee on 6 Feb 57.

*File
[unclear]
DUC
Subs*

G.P. Hartling
(G.P. Hartling)
Major,
Secretary.

GPH/2-5459/ff

c.c. CJS
CB NRC
JIS(7)

BEST AVAILABLE COPY

File.

SECRET

January 7, 1957.

50028 B-ko

MEMORANDUM FOR THE MINISTER

43

Soviet Satellite Relations

I am enclosing a most interesting United States National Intelligence Estimate entitled "Probable Developments in Soviet-Satellite Relations" which I think you will find well worth reading. The study concludes that the Soviet Union now has a choice of three policies towards the Satellites:

- (a) A determined policy of firm Soviet repression, but attempting to avoid the extremes of Stalinism.
- (b) A deliberate and systematic re-definition of Soviet-Satellite relations based on lesser controls and anticipatory concessions to nationalist sentiment.
- (c) Continuation of the present course of expediency, involving shifts between conciliation and repression.

It is this last policy which the writers of the Intelligence Estimate believe will be followed by the Soviet leaders as it postpones any clear decision.

JULES LÉGER
J.L.

BEST AVAILABLE COPY

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

File

TO: THE UNDER-SECRETARY

Handwritten initials

Security **S E C R E T**

Date **January 7, 1957.**

FROM: DEFENCE LIAISON (2) DIVISION

File No. **50028-B-40**

REFERENCE:

43.	✓	✓
-----	---	---

SUBJECT: Soviet Satellite Relations.

*sent
- 9.1.57*

I am enclosing a copy of a recent United States N.I.E. entitled "Probable Developments in Soviet-Satellite Relations" to be sent to the Minister. This is an interesting document and you might find it worth your while to read before sending on.

[Handwritten Signature]
Defence Liaison (2) Division

8.1.6(05)

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957

IN REPLY PLEASE QUOTE

No. GSC 9-27 (JIC)



Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

11 Dec 56

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✓ G.G. Crean, Esq.,
Dept. of External Affairs.

DMI
DAI
DNI
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JIB

Social Contacts of Soviet Officials in Canada

- Further to memorandum on this file dated 21 Nov 56, and the decision reached at the 521st meeting (Item IX), attached is an amendment to para. 4 of the RCMP memorandum on this subject dated 20 Nov 56.

Dec. 13, 1956
Mr. W. J. ...
for ...

off
guy
Dec 13

for *Stanley Bennett*
(G.P. Hartling)
Major,
Secretary.

Enc.

THB/2-5459/ff

c.c. CJS
CB NRC
JIS

BEST AVAILABLE COPY

C S C-9-27(JIC)

Dec 11, 1956.

FILE COPY

SECRET

50028-B-40

AMENDMENT TO MEMORANDUM FROM RCMP
ON SOCIAL RELATIONS REPORTING

Please amend the figures in paragraph 4
of our memorandum dated 20 November 1956 to the
following:

Department of External Affairs	-	6
DMI	-	11
DSI	-	1
DNI	-	2
DAI	-	8
JIB	-	1

10 December 1956.



IN REPLY PLEASE QUOTE

NO. GSC 9-27 (JIC)

Department of National Defence

SECRET

JOINT INTELLIGENCE COMMITTEE

21 Nov 56

50028-B-46
129 50

X-ref 50332-46

J. 52

MEMORANDUM FOR THE JIC:

Social Contacts of Soviet Officials in Canada

1. Attached is a copy of a memorandum from the RCMP dated 20 Nov 56, concerning the necessity for social relations reporting.
2. This subject will be considered at the next meeting of the Committee.

G.P. Hartling
 (G.P. Hartling)
 Major,
 Secretary.

Enc.

GPH/2-5459/ff

c.c. CJS
CB NRC
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NOV 22 1956

Mr Wilson (on return)
- you and I have
revised RCMP memo &
were going to circulate
Dept on this subject

yes
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Dec 27

hlo
MW

S E C R E T

MEMORANDUM FROM THE RCMP ON
NECESSITY FOR SOCIAL RELATIONS REPORTING

1. Social relations reporting is the title given to the reporting of social contacts between personnel of Canadian Government organizations and Soviet-bloc officials. This subject was first brought up at the 363rd meeting of the JIC on 18 November 1953, and it was subsequently agreed that such social relations would be reported to the RCMP through an appropriate officer of each government organization concerned (see attached list of required data). The need for such reporting is twofold:

- (1) it provides information on Soviet and Satellite officials which assists greatly in our appreciation of these officials;
- (2) it keeps us informed of Soviet and Satellite attempts to develop and utilize Canadian personnel for intelligence purposes.

2. The latter aspect of social relations reporting was brought very forcibly to our attention by the "grilling" received by a young External Affairs officer at the home of a Soviet official in Ottawa in December 1954 concerning, among other things, the relative functions of Defence Liaison Divisions (1) and (2).

3. Although the necessity for social relations reporting has been brought up from time to time in the JIC, the results in terms of numbers of such reports received have been disappointing. For example, in a study made of social contacts involving Soviet-bloc officials and personnel of the Department of External Affairs, DNI, DMI, DAI, and JIB during the period 1 March to 31 October 1955, it is estimated that the thirteen reports received represented, at most, 30% of the social contacts known to have taken place.

4. In a similar study completed for the period 1 May to 15 November 1956, eleven social relations reports (contributed as follows) were received:

Department of External Affairs - 4
DMI - 6
DSI - 1
DNI - nil
DAI - nil
JIB - nil

Of the six reports from DMI, five were submitted by Army officers who contacted Russian officials who were fellow-members of the Ottawa Philatelic Society and the RA Stamp Club. We are extremely pleased with the reports from this one field of social contact, but are disappointed in the lack of response from all other fields from which only six reports have been received over a 6½-month period, none of these, contrary to expectations, arising out of the monthly Military Attaches' luncheon. The reports received in this period represent less than 15% of the social contacts made.

5. Although we appreciate that social contacts with the Russians have been reduced during the past month, social contacts with Satellite officials are continuing. Only one of the eleven reports received during the last 6½ months concerned contact with a Satellite official. And since

- 2 -

Satellite intelligence activities in Canada have been growing in importance, it would be of great assistance to us to get all the information we can on this aspect of the problem. Moreover, it is possible that owing to the conditions obtaining in their homelands, Satellite officials might be more prone to exploitation on our part, a circumstance of which we should take advantage.

6. It is of interest to note that our scrutiny of the POPOV-STAPLES relationship began with social relations reports submitted by members of the RA Chess Club. Also, regular social relations reporting in our embassies and legations abroad has forestalled Russian attempts to subvert members of our diplomatic staffs.

7. We realize that social relations reporting places a burden on government officials over and above their regular tasks. However, it would be very much appreciated if the members of the JIC would once again remind their organizations that social relations reporting is of great importance to the maintenance of our internal security.

Ottawa - 20 Nov 56.

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INFORMATION NEEDED ON SOVIET AND SATELLITE
OFFICIALS

- (a) Physical description; dress taste; habits; mannerisms; sobriety or insobriety qualified by degree (e.g. heavy drinker of beer) smoker or non-smoker (cigarettes, or pipe).
- (b) Character appreciation: to include information on his morals; attention paid to other women; enjoyment of parties.
- (c) Background data, to include education, previous posts, etc.
- (d) Ideology: does he seem to be a confirmed communist.
- (e) Command of languages.
- (f) Relationship with wife.
- (g) Relations with other Soviet Bloc Officials; with any indication of probable or apparent status apart from official position.
- (h) Topics discussed: (scientific, military, political economic, etc.). Degree of competence and education.
- (i) Any apparent effort on his part to single out specific types of Canadians for conversation. Identity of Canadians most important.
- (j) Information on wife.
- (k) Any indication of possible defection of this Official or his wife.

Note: In (a) and (b) above it is particularly important that attention should be drawn to any sign of weakness in character, over-indulgence or moral laxity.

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No. CSC 1145-1 (JIC)



CANADA

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

Mr Webster
remin to Mr Blank

6 Nov 56

file 50028-B-40
CRB

G. G. Crean, Esq.,
Dept. of External Affairs.

DMI
DAI
DNI
DSI
RCMP
JIB

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5.2.50

Soviet-Satellite Relations

1. Attached is a copy of JIC 204(56) dated 6 Nov 56, on the above subject, which has been prepared by the JIS.
2. The JIS wish to point out that this paper has been prepared in a considerable rush. Because time has not permitted consideration of it by Directorates, the attached draft is considered to be tentative only and is presented to the JIC at this time because of urgency of the situation.
3. This paper will be considered under Item 2 of the agenda for the meeting to be held 7 Nov.

G.P. Hartling
(G.P. Hartling)
Major,
Secretary.

Enc.

GPH/2-5459/ff

c.c. CJS
CB NRC
✓ JIS (XA)

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SOVIET/SATELLITE RELATIONS

TOP SECRET
JIC 204(56)
dated 6 Nov 56

Aim: To assess the immediate significance of the current state of Soviet/Satellite Relations.

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Introduction

1. Shortly after the death of Stalin in 1953, it became apparent that the new leaders of the Soviet Union were revising their policy toward the Satellites. This revision was only one aspect of the complete revision of Soviet policy, both foreign and domestic, which resulted from the acceptance of the new leaders' view of the world situation.
2. The new government undoubtedly believed that the belligerent attitude adopted during the Stalin era had done little to further Soviet interests, on the contrary it had produced a more or less inevitable reaction in the West. This reaction found expression in a policy of containment, the success of which was based on a determination and unity of purpose which were directly attributable to a widespread fear of the U.S.S.R. As this situation developed, Soviet leaders found their freedom of action becoming more and more limited to a choice between total war or total surrender.
3. Since neither of these choices was an acceptable basis for action, the new regime set out to reduce international tension as the best way to improve their freedom of action, probably realizing and accepting the risks involved. The course adopted consisted of two broad aspects:
 - a. Externally, the U.S.S.R. adopted a pose of peaceful intent. Relatively marginal concessions were made to the West on issues in dispute all around the globe. Soviet delegates spoke in reasonable tones and a greater freedom for the exchange of ideas was encouraged through the exchange of visitors and information between the Communist and non-Communist worlds. With the uncommitted nations of the Middle

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East and Asia, the Soviet Union tried to assume the role of champion of their freedom from colonialism, and patron of their economic well-being.

b. Within the Bloc, the Soviet Union followed a policy designed to remove the more obnoxious and obvious evidence of Soviet control. The Satellite regimes were given cautious encouragement to slowly adopt the form, if not the substance, of national communism, and a determined bid was made to bring Tito back into the fold.

4. Both these aspects of Soviet policy were designed to weaken the unity and cohesion of the West by removing the fear of the Soviet Union. The immediate objective was the disruption of NATO and the withdrawal of U.S. power from Europe.

5. It is against this setting that recent developments in Soviet/Satellite relations should be viewed.

Soviet/Satellite Relations Before and After the XXth Party Congress

6. The resignation of Malenkov in the spring of 1955 brought with it a change in emphasis in economic policy - a change away from the consumer-which was particularly unpopular in the Satellites. This combined with the broader change in the Soviet attitude to produce a period of confusion and vacillation within the Satellite regimes. The first fairly mild expressions of popular discontent, which came to the surface during this period, constituted no real threat to communist control.

7. The attack on Stalin during the XXth Party Congress gave greatly increased impetus to the policy of liberalization in the Satellites.

8. By June, the frequently published expressions of discontent especially in Poland and Hungary, the revelations of Khrushchev's denunciation of Stalin, the growing Soviet/Yugoslav rapprochement combined with a variety of other factors to produce an atmosphere in the Satellites where the progress of de-Stalinization showed dangerous signs of getting out of control.

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9. This danger was most acute in Poland and Hungary where the Communist Parties failed to enforce party unity. The divisions within the Polish and Hungarian Parties became more apparent during July with the Polish indecision on how to deal with the Poznan riots and the resignation of Rakosi after his denunciation of the "malignant anti-Party movement around Imre Nagy".
10. It soon became evident that the Soviet Government was becoming alarmed about the too-rapid pace of liberalization.
11. Immediately following the Poznan riots the Central Committee of the CPSU passed a resolution emphasizing the need for international unity and played down the "separate paths to socialism" theme which resulted from the Soviet-Yugoslav talks in June. The Soviet press blamed imperialist agents for the Poznan riots.
12. In mid-July in Warsaw, Bulganin criticized the Polish press for its anti-communist statements and warned of the dangers of national communism. Mikoyan visited Hungary. Pravda called for international communist unity and attacked national communism. Bulganin toured Poland and drew attention to the value of Soviet friendship for the maintenance of the Polish/East German frontier. Mikoyan travelled to Belgrade for talks with Tito and to Bulgaria and Roumania.
13. During August the Soviet efforts appeared to be having little effect on either Poland or Hungary where increasing reference to the course followed by Tito and Yugoslavia appeared in the press. The progress of liberalization in the Satellites was receiving enthusiastic support in Yugoslavia. It was in this atmosphere that Khrushchev arrived in Belgrade on 19 September.
14. Little is known of the talks which took place the following week at Brioni nor during the return visit of Tito to Yalta from the 27th to Oct 5th. It is perhaps reasonable to assume however that Soviet leaders, now thoroughly alarmed at the events in Poland and Hungary, were seeking Tito's concurrence in a Soviet programme designed to slow down the discontent which was becoming more and more evident. The presence of Geroe who had succeeded Rakosi in Hungary, and General Gretko,

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Commander-in-Chief of the Soviet Forces in Germany are perhaps indicative of the arguments advanced by Khrushchev. In any case the continuing Yugoslav support for liberalization in the Satellites and the succession of Satellite delegations visiting Belgrade subsequent to the talks would indicate that Tito remained firm in his attitude to this question.

The "Revolts" in Poland and Hungary

15. There are certain quite significant differences between the recent "revolts" which have taken place in Poland and Hungary. In both, the too-rapid pace of liberalization (from the Soviet point of view) was the result of divisions within the Communist Parties. In Poland the moderate elements succeeded in establishing their ascendancy and at the same time in maintaining their control over the people. The revolution in Warsaw was a "peaceful one" accomplished with little commotion among the people. The new regime although probably more independent than the Soviet Union would want, is still communist and still well within the Soviet Bloc.

16. In Hungary on the other hand the revolt took on a more widespread and more violent character. The severe shortages of fuel, power, foodstuffs and raw materials and the drastic curtailment of transportation that resulted from and aggravated these shortages, produced a pent-up mass discontent that coincided with the first signs of a greater freedom from Moscow and, stimulated by the apparent success of the changes in Poland, resulted in a flood of popular revolt which last minute concessions could not stop.

17. The revolt in Hungary became a revolt against the whole regime, against Russian exploitation, and against Communism in general. The new Polish regime might be too independent for Soviet tastes but it probably is still firmly within the Soviet Bloc. The revolt in Hungary however threatens Soviet control overall the Satellites and Soviet leadership in international Communism.

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The Implications for the Future

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Political

18. The Soviet Union is now clearly faced with a dilemma of great magnitude. The policies they have pursued during the past three years are just beginning to bear considerable fruit in the non-communist world. Among the "uncommitted" nations of the Middle East and Asia, Soviet influence has been greatly enhanced and in NATO itself their peaceful posture has raised grave doubts about the necessity of bearing the considerable economic burden of defence.

19. If they are to continue to reap the harvest of their new peaceful stature they can not forcibly put down the revolts which are now open in Hungary. On the other hand to allow Hungary to throw off their Satellite status completely will place in serious jeopardy their control of all the Satellites. Soviet leaders must see in the events in Hungary the start of a process which could easily undermine their position on the reunification of Germany and might even bring the frontiers of the West right up to the borders of the U.S.S.R. itself.

20. For them to sit idly by and watch the loss of all their gains from World War II must be unthinkable. In a sense the very success of the Hungarian revolt has foredoomed it to Russian intervention in force if necessary.

21. What then will be the effects of a return to stricter Soviet control? It is probable that the Soviet regime will not revert to Stalinism. They may well rely on the fact that the spectacle of their intervention in Hungary will have a salutary effect on nascent tendencies in the other Satellites. The effect elsewhere is much more difficult to foresee.

22. In Yugoslavia they may hope to weather the inevitable storm of Tito's disapproval. Armed intervention in Hungary would undoubtedly be a serious set-back to Tito's ambitions to become the leader of a group of independent Communist states in Eastern Europe but it is difficult to see what effective action Tito could take.

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23. In Germany the events in the Satellites will undoubtedly strengthen Adenauer's position and undermine the Soviet argument that reunification can only be achieved through discussions between the two Germanies.

24. In the Middle East the discrediting of the Soviet peaceful posture will probably have a weakening effect on Egypt's position in the Arab world. This coupled with the failure of effective Soviet support for Egypt and the military defeats inflicted by Israel, the U.K. and France will probably seriously weaken Nasser's position in the Arab world despite the tendency to close ranks in the face of the common enemy.

25. In Asia the effects of Soviet armed intervention in Hungary are particularly difficult to foresee. It is possible that in time the Kadar regime will be able, to some degree at least, to represent itself as an independent regime - independent to the extent that the Gomulka regime in Poland is independent. In any case the least that is to confirm Asian countries in their neutrality.

Military

26. The Satellites are undoubtedly of great military value to the U.S.S.R. (see Appendix A). In addition to the strength of the Satellite armed forces themselves and the facilities available to Soviet forces as a result of Soviet control, the very existence of the space of these countries has moved the military frontier of the U.S.S.R. into Central Europe.

27. The importance of the area to the U.S.S.R. is attested to by the great emphasis given to its military development. Large modern Soviet forces are maintained in the area and airfields and communications have intensively developed. Strong Satellite forces have been built up and have been increasingly supplied with modern arms and equipment.

28. A large airfield construction programme begun in 1949 has resulted in 129 major airfields (6,000 foot or more, hard surfaced runways) more than half of which are located in Poland and East Germany. These airfields, constituting a formidable air base structure, are ideally suited for the defence of the Western approaches to the U.S.S.R.

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They also bring most of Western Europe, including the U.K., within range of Soviet jet light and medium bombers.

29. The vast majority of the estimated 490,000 Soviet troops in the Satellites are located in East Germany (some 22 line divisions as against 6 divisions in Hungary, Poland and Rumania). The combat effectiveness of these troops has been increased by the introduction of new equipment which has been in progress for almost two years. The maintenance of a secure L of C through Poland is absolutely essential for the continued stationing of the Soviet Troops in East Germany.

30. The Soviet naval forces based in Satellite ports in the Baltic and Black Seas is small and primarily used for the training of Satellite navies. Combined training exercises have been carried out recently but it is not expected that Soviet naval forces based in the Satellites will increase in the near future.

31. It is probable that Soviet military leaders consider the buffer zone provided by their control over the Satellites and the facilities available for their own use, particularly the airfields, to be of somewhat greater value than the Satellite forces themselves. This is especially true since recent events in Hungary have demonstrated the unreliability of Satellite troops.

32. The exposed position of their forces in East Germany must have caused considerable concern to Soviet leaders during the "revolt" in Poland. The Gomulka regime however seems to have been well aware of this for the new Polish leaders have taken pains to emphasize their continued adherence to the Warsaw Pact, which provides the basis for the stationing of Soviet troops in Poland. In a speech on 24 Oct Gomulka, while asserting Poland's equal rights and independent position, emphasized that the Soviet Army could not be removed from Poland and East Germany "because of West German nationalism".

Conclusions

33. Soviet policy towards the Satellites during the last three years has been a part of the broader policy of reducing international tension by removing fears of the Soviet Union. The new Soviet policy towards the Satellites was designed to remove the worst aspects of Soviet control.

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34. The cautious liberalization of Soviet control, given sudden impetus by the attacks on Stalin, encouraged the first public expressions of popular discontent. The Soviet rapprochement with Yugoslavia had made Titoism a nice word and accelerated the pace toward national communism particularly in Poland and Hungary where Communist Party unity was still more an aspiration than a fact.
35. The Soviet leaders becoming alarmed probably attempted to get Tito's acquiescence during the talks at Brioni and Yalta without much success.
36. The "revolts" in Poland and Hungary are basically quite different. In Poland, the revolt was a peaceful one, bringing to power a moderate communist group who retain more or less complete control over the country. The new regime, although proclaiming their independence and equality, intend to remain within the Warsaw Pact and have probably given the U.S.S.R. assurances regarding rights of passage to East Germany.
37. In Hungary the revolt was a popular one directed internally against any Communist regime and externally against any connection with the U.S.S.R. The success of the Hungarian revolt would have jeopardized the entire Soviet position vis-a-vis the Satellites and threatened the Soviet position in Germany.
38. The military value of the Satellites to the U.S.S.R. is great, providing, as they do, not only an extensive buffer zone for the defence of the Soviet Union itself but also valuable forward bases for strikes against all of Western Europe including the U.K.

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TO DRB HQ OTTAWA

By Secure Means

S E C R E T

DRCS1036 ATTN JIB FOR BOWEN FROM UREN. PARA ONE. I HAVE BEEN GIVEN TODAY A LONG STATEMENT ON SOVIET SATELLITE RELATIONS UP TO MID-OCTOBER TOGETHER WITH A CHRONOLOGY OF SIGNIFICANT EVENTS SINCE JUNE 1956. THIS STATEMENT DOES NOT INCLUDE COVERAGE OF THE LATEST EVENTS IN POLAND AND HUNGARY BUT IS IMPORTANT IN UNDERSTANDING THEM. THE FOLLOWING ARE PARTICULAR POINTS OF INTEREST. A FULL STATEMENT WILL FOLLOW BY BAG AS SOON AS POSSIBLE. YOU WILL UNDERSTAND THAT MUCH OF THE MATERIAL ON CURRENT DEVELOPMENTS IS IN A FORM UNSUITABLE FOR TRANSMITTAL THROUGH MY CHANNELS. PARA TWO. IT WAS REPORTED BRACKET SOURCE NOT REVEALED BRACKET ON TWELVE OCTOBER THAT GOMULKA IS CONSIDERING A REQUEST FOR LARGE-SCALE US AID. THE USSR ALLEGEDLY APPROVES THIS PLAN SIC. A PROMINENT POLISH EDITOR ON 10 OCT CALLED FOR RE-EVALUATION OF THE EFFECT OF THE MARSHALL PLAN ON THE WESTERN EUROPEAN ECONOMY CLAIMING THAT THE COMMUNISTS HAD BEEN WRONG WHEN THEY SAID THE PLAN WOULD IMPOVERISH THE MASSES PARA THREE. NAGY WHOSE ECONOMIC POLICIES CLOSELY PARALLEL THOSE OF YUGOSLAVIA AND WHO HAS YUGOSLAV SUPPORT REPORTEDLY FAVOURS AN END TO THOSE TRADE RELATIONS WITH THE USSR WHICH INJURE THE HUNGARIAN ECONOMY. PRIOR TO HIS READMISSION TO THE PARTY NAGY HAD MANOEUVRED FOR POWER BOTH WITHIN THE PARTY AND WITH NON-PARTY POLITICAL LEADERS

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By Secure Means

DRCS 1036 SECRET PAGE TWO

PARA FOUR. TWO HIGH-RANKING POLISH OFFICIALS JUNE 5 THE POLISH DELEGATE TO ECE AND A DEPUTY FOREIGN MINISTER INFORMED RELIABLE OBSERVERS IN WESTERN EUROPE THAT POLAND WAS ACQUIRING MORE INDEPENDENCE AND COULD BE USEFUL TO THE WEST AS A LINK WITH OTHER COUNTRIES SUCH AS THE USSR AND CHINA. PARA FIVE. AMONG THE MORE INTERESTING CONCLUSIONS OF THIS STATEMENT ARE THE FOLLOWING.

(A) THE MODERATE ELEMENTS IN THE HUNGARIAN AND POLISH COMMUNIST PARTIES PRESUMABLY FORESEE SOME FORM OF A NATIONAL COMMUNIST STATE. THEY MAY HAVE NO UNIFIED CLEAR-CUT POLICY IN MIND FOR DOMESTIC AFFAIRS. SOME APPARENTLY ARE STRIVING FOR A QUOTE BENEVOLENT UNQUOTE MONOPOLY OF COMMUNIST POWER HUMANISTICALLY INCLINED TOLERANT OF CERTAIN FORMS OF OPPOSITION GENUINELY RULED BY THE MAJORITY VOICE OF THE PARTY AND OPERATING OUTSIDE OF THE SPHERE OF GREAT-POWER BLOCS. OTHERS MAY FEAR THAT SUCH A COURSE WOULD LEAD TO THE EVENTUAL OVERTHROW OF THE COMMUNIST SYSTEM AND FAVOR A DOMESTIC PROGRAM LESS BENEVOLENT AND PERHAPS MORE CLOSELY ALLIED TO THE USSR

(A) WHATEVER THE ULTIMATE RESULTS THESE TRENDS IN ADDITION TO INSURING INCREASED INDEPENDENCE FROM THE USSR POSE AT THIS TIME A REAL THREAT TO THE COMMUNIST SYSTEMS IN POLAND AND HUNGARY. THEY ALSO JEOPARDIZE THE ABILITY OF THE REGIMES IN THE OTHER SATELLITES TO MAINTAIN PARTY DISCIPLINE AND FIRM CONTROL OF THEIR POPULATIONS. PARA SIX. I EMPHASIZE THAT THE ABOVE ARE ITEMS TAKEN OUT OF THE TEXT OF A LONG REPORT, SINCE THEY APPEARED TO BE THE MOST INTERESTING TO ME. THEY ARE NOT INTENDED TO CONVEY A BALANCED VIEW



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DEFENCE RESEARCH BOARD

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DEPARTMENT OF NATIONAL DEFENCE
CANADA

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[unclear]*

Ottawa, Ontario,
31st October, 1956.

Mr. G.G. Crean,
Defence Liaison Division (2),
Department of External Affairs,
Room 247,
East Block,
OTTAWA, Ontario.

Soviet-Satellite Relations

I enclose for your information a copy of a state-
ment on this subject prepared by the Office of Current
Intelligence, Central Intelligence Agency. This paper
was prepared on the 19th October and does not reflect
events after that date.

A copy has been given to JIS for use in connection
with the proposed JIC paper on Soviet-Satellite Relations.

[Signature]

D.A. Camfield,
for: Director,
Joint Intelligence Bureau.

Enc.

JIB
OTTAWA
OCT 31 1956
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Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

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/ G.G. Crean, Esq.,
Dept. of External Affairs.

- DMI
- DAI
- DNI
- RCMP
- JIB

Canadian Debris Sampling Activities and the 1956 Fall Series of Soviet Nuclear Tests

18 OCT 1956

1. Attached for information is a copy of a memorandum dated 28 Sep 56, on the above subject, which has been received from DSI.

*copies under
memo to
D. G. Crean
Oct. 18/56
European JP*

*file
GPH
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Enc.

G.P. Hartling
(G.P. Hartling)
Major,
Secretary.

GPH/2-5459/ff

c.c. JIS

CSC 6-1 (JIC)

Oct. 2/56

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X. Ref: 50028-B-40
9974-A-40
28 September, 1956

MEMORANDUM FOR THE JIC

CANADIAN DEBRIS SAMPLING ACTIVITIES AND THE 1956 FALL SERIES OF SOVIET NUCLEAR TESTS

Preliminary Comment

This outline has been prepared for the information of the Joint Intelligence Committee. Debris sampling activities following Soviet nuclear explosions represent one of the few methods Canada has of obtaining original Canadian intelligence on events and developments in the Soviet Union.

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Report

1. Canadian activities in sampling the atmosphere for radioactive debris from Soviet nuclear and thermonuclear explosions are coordinated and guided by DSI. Close liaison and cooperation is maintained by DSI, throughout the course of such activities, with the U.S. Air Force and the U.K. Ministry of Defence. Since Canada has no acoustic or seismic devices specifically designed to detect and record explosions in the USSR, our first knowledge of such explosions is usually obtained from the U.S. or the U.K. Using northern hemisphere weather charts, it is then possible for our meteorological advisers to plot the most probable course (or courses) of the radioactive cloud from the explosion at various levels in the atmosphere. It has been found that in general these clouds tend to follow the prevailing westerly winds, viz. Japanese islands, Aleutians, Alaska, northwest and central Canada, northeast U.S.A., Atlantic Ocean, etc. Weather conditions at any point along this route may cause splits in the trajectory or major deviations from the course outlined. At times the cloud may pass well south of the usual Alaskan low-pressure area and cross Canada at or below 50°N. The U.S. concentrates its sampling flights to a line running up the Japanese islands to the Aleutians over Alaska and up to the North Pole. In recent years US/Canadian cooperation in this field has reached the stage where DSI is notified promptly of any strong USAF contact with fresh radioactivity. This permits our meteorologists to make a much more accurate forecast of the probable course of the cloud in its passage over Canada.

2. Aerial sampling activities are carried on in Canada at the following locations:

- (1) Comox, B.C. - a Lancaster aircraft of 407 Squadron operating under the immediate guidance of Dr. G. M. Shrum of the Physics Department of UBC and using the advisory services of the Vancouver meteorological office.

S E C R E T
Canadian Eyes Only

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- (2) Ralston, Alberta - a T33 and a Dakota aircraft of the CEPE detachment at the Suffield Experimental Establishment operating under the immediate guidance of Mr. H.H. Watson of the SES Physics Section and using the services of the local meteorological office.
- (3) Ottawa, Ontario - two CF100 aircraft of 428 Squadron and a Dakota aircraft of 412 Squadron at Uplands operating under the immediate guidance of Dr. C. E. Hubley of the Defence Research Chemical Laboratories and using the services of the Uplands meteorological office and the DRB meteorological adviser.

3. Ground level radioactivity is also monitored in a routine manner at the following locations:

- (1) 50N 145W - the Canadian weathership St. Catharines collects precipitation and measures its radioactivity throughout the year.
- (2) Vancouver, B.C. - the UBC Physics Department similarly collects precipitation and measures its radioactivity throughout the year.
- (3) Ralston, Alberta - SES operates a roof-level air filtration unit, with filters removed and counted every 24 hours.
- (4) Churchill, Manitoba - DRNL operates a ground-level air filtration unit in a similar manner to the Ralston unit, except that filters are only exposed for a few hours in the early morning.
- (5) Resolute Bay, NWT - the Department of Transport operates a ground-level air filtration unit as at Churchill.
- (6) Ottawa, Ontario - DRCL collects precipitation and measures its radioactivity throughout the year and also collects fallout on sticky papers.

4. The present Soviet series has consisted of four explosions to date all at the Semipalatinsk testing area. These explosions have caused considerable activity throughout the entire DSI detection net. A number of filters ranging in activity from moderate to very active have been obtained for all explosions. After preliminary counting at UBC, Ralston or Ottawa these filters (along with several abnormally-active ground level pickups) have been despatched as quickly as possible to the joint AECL/DRB radiochemical laboratory at Deep River, Ontario, where further counts and detailed analyses are currently being made. The results of these analyses will be interpreted so as to provide information on the nature and efficiency of the explosions.

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5. Shot 1 of the present Soviet series occurred on 24 August and was detected by several strong acoustic but no seismic signals. The radioactive cloud was first intercepted by the USAF over Japan on 26 August at 30,000 feet. On the basis of meteorological forecasts, flights were planned by DSI from Comox to Ralston. Flights from Comox on 30 August and 1 September made no contact with radioactive bomb debris. The T33 aircraft at Ralston was unserviceable for several days and no flights were made from there versus Shot 1. Moderate contacts were made in the Ottawa area at the 20,000 and 30,000 foot levels. One ground-level filter exposed at Ralston on 29-30 August showed abnormally high activity, which appeared to be related to Shot 1.

6. Shot 2 occurred 30 August and was detected by several strong acoustic and two or three doubtful seismic signals. The radioactive cloud was first intercepted by the USAF over the Aleutian Islands on 2 September at 35,000 feet. Flights from Comox were again unsuccessful but a number of moderate contacts were made out of Ralston at 30,000 feet on 5 and 6 September. On the basis of the Ralston contacts at 30,000 feet, several flights were made at that level in the Ottawa area on 7 September and one very active filter was obtained. Moderate contacts were subsequently made in the Ottawa area at lower levels. Increased activity relating to Shot 2 was also reported in rainfall collected on 9 September by the weather ship and by the UBC Physics Department. Increased activity was noted on SES ground-level filters from 7 September onwards. At the request of DSI, filters were exposed on scheduled RCAF Edmonton-Whitehorse flights for a period of about two weeks starting the beginning of September. Increased activity was noted on these flights on 7 and 8 September.

7. Shot 3 occurred 2 September and was detected by several strong acoustic but no seismic signals. The radioactive cloud was first intercepted by the USAF over Japan at 40,000 feet on 3 September and at 20,000 feet on 4 September. The forecast trajectories showed no indication of approach to the Vancouver area, so no Comox flights were planned versus Shot 3. However about 16 flights were made out of Ralston at 30,000 feet on 7 and 8 September over northern and north-central Alberta and Saskatchewan. By measuring the radioactivity of filters after each flight, SES succeeded in locating and defining the radioactive cloud from Shot 3 quite precisely. Four very active filters were obtained. Flights in the Ottawa area at 25,000-35,000 feet made only very mild contacts with this cloud, a development which has completely baffled the meteorologists. Moderate contacts were made subsequently in the Ottawa area at a lower level.

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- 4 -

8. Shot 4 occurred 10 September and was detected only by a few relatively weak acoustic signals. Four days later USAF reported that they had failed to make any contacts and asked for maximum Canadian effort. Again no Comox flights were made. However Ralston mounted another major operation, with the T33 operating out of Macdonald, Manitoba on 15 and 16 September. Moderate to strong contacts were reported at 30,000 feet and two active filters were obtained. A strong contact was also made in the Ottawa area and a filter of somewhat higher activity obtained. On 17 September the USAF reported pickups at 20,000 feet over Japan on 14 September and over Alaska on 16 September. Several moderately successful flights were subsequently made in the Ottawa area at this level.

9. As of the date of this report, the estimates of the yields of the above explosions were as follows:

Shot 1 150 KT
Shot 2 700 KT
Shot 3 250 KT
Shot 4 no estimate

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IN REPLY PLEASE QUOTE
NO. CSC 1124-1 (JIC)

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

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29 Aug 56

p. 40

50028-B-1/2
52 | 50

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MEMORANDUM FOR THE JIC:

Intelligence on the Soviet Bloc from
West Germany and French Sources

- Attached is a copy of a memorandum dated 27 Aug 56, together with attachment, from the Director JIB, on the above subject.
- This subject will be considered at the next meeting of the Committee.

Stanley Bennett
(T.H. Bennett)
Acting Secretary.

Encs.

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c.c. CJS
CB NRC
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DEFENCE RESEARCH BOARD

JIBS 173-2000-1

Ottawa, Ontario
27 August, 1956

Intelligence on Soviet Bloc from W. Germany
and French Sources

Secretary, JIC.

1. I attach extracts from a letter from the JIB Liaison Officer with JIB London.
2. I have not raised with Sir Kenneth Strong the question of the release to Canada of intelligence they obtain from Germany and France through these liaison arrangements. I think it is very unlikely that the British would be free to release such information to a third nation and I consider that we should proceed for the present on that assumption.
3. It is likely that similar problems of changing relations between British and German intelligence organizations will apply in some measure to all intelligence directorates. I propose that the JIC should review the changes taking place in intelligence relations between the UK and W. Germany and France; their effect upon the release of intelligence to Canada; and the desirability of establishing direct relations between Canadian intelligence organizations and those of Germany and France.
4. Would you please place this subject on the agenda of an early meeting of the JIC.

(Sgd.) I. Bowen

Director,
Joint Intelligence Bureau.

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ATTACHMENT TO LETTER FILE NO. JIBS 173-2000-1

27 August, 1956.

Secretary, JIC

1. I thought you might be interested to know what happened to the DRS organization, the pocket of "friendly" Germans hitherto working for JIB Germany at Bad Oenhausen. They have now transferred lock, stock and barrel to the Gehlen organization at Munich, where they are pursuing much the same type of research but of course on a national basis. The new title of the organization is the Bundes Nachrichten Dienst (BND).
2. Such papers as they had in hand for JIB(L) will, of course, not now be published, at least in their original form. However, London has lost no time in establishing a liaison with this new setup and a team consisting of Brig. Way, Wiggs and Pottle (Communications) visited Munich a few days ago. Their reception was apparently favourable, in fact most cordial, as Gehlen is, I gather, desirous of establishing German/UK relationships in the intelligence field and is something of an anti-American, so was delighted at the British interest. The BND being still young, is open to suggestions and it may well be that some of the studies which they were doing for JIB(L) may continue since they are in a few cases of as much interest to the Germans as to the UK. In addition, a series of liaison visits is being arranged, for the various section heads in JI 3 and from now until Christmas it looks as though there will be a fairly steady traffic between here and Munich. I hope it may be possible to organize myself on to one of these trips, using my integrated role as the excuse. Callender, my assistant, is fortunately fluent in German.
3. Another development in which you may be interested is that of some sort of liaison with the French Deuxieme Bureau, that is to say, army intelligence. This is the dominant organization in French intelligence as far as one can gather from SHAPE conferences and dominates the strategic as well as the tactical field. The initiative in this case comes from France, which has apparently been anxious for some time to hold discussions outside the confines of SHAPE with London and in particular with JIB. A team is now expected to visit here sometime in September/October for the purpose of establishing general liaison on a desk-to-desk basis with JIB(L).
4. It is probably hardly necessary to add that all these exchanges are being confined to security level of SECRET as far as London is concerned, at least at present.



CANADA

IN REPLY PLEASE QUOTE

No. CC 1374-1 (JIC)

Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

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JIB

Population of the Soviet Union

- Attached is a copy of SHAPE letter AG 0100/1 ID dated 25 Jun 56, in which SHAPE asks National Staffs to undertake a study on the population of the Soviet Union.
- As you know, a copy of the brief study entitled "Population of the USSR", prepared by JIB, has been forwarded to SHAPE for whatever use they might care to make of it.
- I would be grateful if you could let me know if you intend to prepare an additional report on this question for onward transmission to SHAPE.

(T.H. Bennett)
Acting Secretary.

Enc.

THB/2-5459/ff

c.c. Mr. G.G. Crean,
Dept. of External Affairs.

DMI
DAI
DNI
DSI
RCMP

*European Dir
to see
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yug
8 Dec 56
Done
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ST.*

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No. CSC 2106-1 (JIC)



Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

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MEMORANDUM FOR THE JIC:

Arctic Intelligence

1. At the 494th meeting of the Committee (Item II, para. 13(c)), it was agreed that various directorates would prepare statements of the amount of effort they are directing towards an evaluation of Soviet activities in the Arctic.
2. Attached are copies of statements on this subject, which have been received from DNI, DSI and JIB.
3. This subject will be considered at a future meeting of the Committee, date to be notified.

for *Stanley Bennett*
 (J.C. McGibbon)
 Squadron Leader, RCAF,
 Secretary.

Encs.

THB/2-5459/ff

c.c. CJS
CB NRC
JIS

28 JUN 1956

Mr Brown to me

June 27/56
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MEMORANDUM TO: Secretary, JIC

USSR - ARCTIC ACTIVITY

Reference: (a) Minutes of 494 Meeting of the JIC Item 2, paragraph 13 (c).

With reference to (a) above, DNI has the following report to make:

2. As of 1 June, 1956, four members of the staff of DNI were employed in evaluating and plotting Soviet Arctic activity as follows:

<u>Officer</u>	<u>Responsibility</u>	<u>Time Spent on Arctic Activities</u>
NID 4	All naval air activity for all Soviet Fleet areas, the Satellites and Communist China.	About one hour per day is spent in evaluating intelligence on Soviet Naval Air activity in the Arctic.
NID 5	To summarize for briefing purposes and to advise the plot of all naval and naval air activity in all Soviet Fleet areas. To maintain naval orders of battle for all Soviet and Satellite Fleets. Maintain OOB for Chinese Communist Naval Forces. To record all out of area transfers and to record all transfers of naval vessels to other countries.	About two hours per day are spent exclusively on Arctic Activities. During the Arctic navigation season more time will be devoted to these activities.
NID 6	In charge of the Operational Intelligence Plot. In co-operation with NID 4 directs the plotting and evaluation of Naval surface and air activities in all fleet areas. Prepares appreciations, briefs and summaries on Naval Intelligence subjects for CCOS, CNS, etc.	About one half hour a day is devoted to Arctic Activities.
NID 7	To maintain plots and displays on the following subjects: (a) Naval and Naval Air Order of Battle for all fleet areas, Satellite and Chinese Communist Navy. (b) Movement of Soviet Naval vessels and aircraft, where possible, within each fleet area. (c) Out of area movements. (d) Shipbuilding. (e) Vessels under trials (new construction). (f) Vessels under refit. (g) Soviet maritime lines of communication.	About one hour a day is spent in plotting Soviet Arctic Activities.

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3. From the above it can be seen that the effort expended on Arctic Intelligence in this Directorate amounts to some four and one half hours a day or approximately one-eighth of DNI's Red Bloc section.

(Sgd.) M.H. Ellis

Instructor Captain, RCN,
DIRECTOR OF NAVAL INTELLIGENCE.

O T T A W A,
26 June, 1956.

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June 27/56
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Ref. SI/4482S

DEFENCE RESEARCH BOARD

Ottawa, Ontario.
15 June 1956.

Chairman, JIC

DSI Effort on Arctic Intelligence

1. This memorandum has been prepared as a result of a decision taken at the 494th meeting of the JIC where it was agreed that the various directorates shall submit statements of the amount of effort that they are directing towards an evaluation of Soviet activities in the Arctic.
2. Arctic intelligence is considered to be one of the major tasks of this Directorate and, within the resources of the present staff, an attempt has been made to develop a systematic method of following Soviet activities in the Arctic. Of the total professional staff of nine, one man has been given the responsibility of directing the majority of his efforts on this area. It is expected that within a few months this effort will be augmented by the addition of a full-time defence scientist with practical Arctic experience who will devote his full time to this subject.
3. At the present time, the one man charged with an Arctic responsibility is attempting to follow on an all source basis Soviet activities of a scientific nature, particularly in the Polar Basin, but also in the northern part of the Soviet mainland. In the tabulation of this material assistance is available in the form of a senior clerk. In addition to this direct study, a considerable amount of attention is being directed to the Arctic areas by the DSI members of the Electronics Intelligence Working Group and the Guided Missiles Intelligence Working Group. In both cases it is considered that Canadian interest in these fields should be directed to northern activity rather than to the secondary study of previous evaluations of the US and the UK. At the inaugural meeting of the GMIWG, the undersigned briefed a group for more than an hour on the need for studying the possible Soviet guided missiles activities in the Arctic, and set out a framework within which such studies could be carried out. A similar requirement from the point of view of radar defences has been directed to another of the DSI staff.
4. Further evaluations of Arctic activities are possible through the good offices of the Director of Physical Research (DRB) who has agreed, because of a mutual interest, to the personnel of his geophysical section spending part time on Arctic intelligence studies. As a result of this, his Arctic expert was recently indoctrinated and has already made a number of valuable suggestions leading to better evaluation of Soviet activities. It is anticipated that a geophysicist will also be available later in the summer on his return from a trip to Europe in connection with the International Geophysical Year.
5. At the present time I would estimate that the services of up to two professional scientists are being directed to considerations of Soviet Arctic activities, and it is anticipated that this will be expanded by one full-time scientist and several advisers before the end of the summer. This should represent an increase from about 15% of the total intelligence effort to possibly 30%.

(Sgd.) J.C. Arnell

Director of Scientific Intelligence

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MEMORANDUMOttawa, Ontario,
25th June, 1956.Secretary JICJoint Intelligence BureauSize of effort on Soviet North (North of 60°)Officer Staff

1. Officer staff, excluding support staff (Registry, Library, etc.), are employed on the Soviet North on the average as follows:

	<u>Economic Division</u>	<u>Topographical Division</u>	<u>General Section</u>
Full time	2	-	-
$\frac{3}{4}$ time	-	2	-
$\frac{1}{2}$ time	-	3	1
$\frac{1}{4}$ time	-	3	-

This gives an effective total of $6\frac{1}{4}$.

Object of work and subjects covered

2. The object of the work is twofold:

(a) To develop an assessment of the area as a base from which military operations (particularly air and naval) could be launched against North America.

(b) To develop a picture of the peace-time economy of the area and of its potential contribution to the war economy of the USSR.

3. The Economic Division studies the economy of the area (industry, manpower, investment, construction, forestry etc.). The Topographical Division works on geographical and climatical subjects (including Polar Basin activities) and on all forms of transportation (including civil air and the Northern Sea Route), airfields, telecommunications and logistics. The General Section provides assistance with translations from relevant Soviet newspapers and periodicals. The translation work is supplemented by translations done by a small Summer staff (one University staff member and two students in 1956).

Types of Product

4. Items of immediate significance in the ~~context~~ of indications of war are processed as a matter of urgency.

5. Current intelligence is otherwise handled in three ways:

(a) In the form of CCOS and other Briefs.

(b) In the form of a monthly summary of evaluated items. This Summary which averages some 25 items is disseminated in 65 copies. In addition to recipients in Ottawa, it is distributed to CIA, JIB (London), OIR State Department, SHAPE, SACIANT, ONI, Admiralty, ACSI US Army, D of I USAF, and Air Ministry. Highlights of the Summary are distributed by signal to CIA and JIB (London), with copies to DNI's representatives in London and Washington and DAI's representative in Washington.

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(c) In the form of a monthly summary of extracts from the Soviet Press. This also goes to intelligence recipients in Australia and to such recipients in Canada as Northern Affairs, NRC, CNR and CPR.

6. Longer term JIB studies are produced as staff limitations allow. These are distributed to London and Washington, and on occasion to Melbourne. Reports have been produced recently on various aspects of mining and metallurgy in the area. Current plans include papers on the logistic support available to the Northern Fleet, on the Northern Sea Route, on Civil Aviation (GVF and PA), on recent activity in the Polar Basin and on economic development in the Western Arctic. In some cases other demands on the time of the staff occasion a delay between the receipt of important raw material and the publication of an evaluated report. This delay may be of the order of three to six months. In the case of many subjects it has so far been impossible to initiate studies on account of lack of staff.

7. Contributions are made as required to JIC studies of the area (e.g. Soviet activities in the Arctic and Sub-Arctic (JIC 1005), recent activity in the Polar Basin (JIC 1006), and Soviet technical and tactical capabilities (JIC 177)).

Additional information

8. One aspect of the work in the Soviet North which has not been covered above is a training aspect. JIB conducts an annual Arctic Indoctrination Course for Strategic Intelligence Officers at Fort Churchill and at Ottawa. US and UK Officers take part in it, together with Canadians. Canadian experience is used as a basis for an approach to the Soviet North. The texts of lectures given by experts who are drawn from Government Departments, from the Armed Forces and from Industry are issued as a research aid.

(Sgd.) I. Bowen

Director
Joint Intelligence Bureau.



Department of National Defence

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JOINT INTELLIGENCE COMMITTEE

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MEMORANDUM FOR THE JIC:

Soviet Activities in the Canadian Arctic

1. Members will recall that at the 492nd meeting yesterday it was agreed that all copies of JIC 184/2(56) dated 24 May 56, or certificates of destruction therefor, be forwarded to the Secretary immediately.

2. The following copy numbers are charged to Directors:

- DMI - Copy Nos. 2-4, inclusive.
- DAI - Copy Nos. 5-7, inclusive.
- DSI - Copy No. 10
- JIB - Copy Nos. 12-14, inclusive.

J.C. McGibbon
(J.C. McGibbon)
Squadron Leader, RCAF,
Secretary.

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- c.c. CJS - Copy No. 15
- JIS - Copy Nos. 21-25, inclusive.