

50028-B-40

(11)

September 1, 1961
to
MARCH 15, 1962

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50028-B-40 # 11
File No. 50028-B-40 Vol. 11

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MacMillan Office Appliances Co. Ltd.

309 Athlone Ave., Ottawa, Can.

50028 B-40

Vol-11-

FOR SUBSEQUENT CORRESPONDENCE
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CONFIDENTIAL



JOINT INTELLIGENCE COMMITTEE

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CC 1146-1 (JIC)

March 15, 1962.

Ottawa, Ontario

DNI
DMI
DAI

SOVIET AND SATELLITE ORDER OF BATTLE

Reference is made to SGM-281-57 dated 25 Apr 57 as forwarded under memorandum on this file dated 30 Apr 57 and to memorandum on this file dated 15 Dec 61.

2. It will be noted in para 2 of SGM 281-57 that the Standing Group requires amendments as of 1 Apr 62 to the Canadian assessment of the Soviet and Satellite Order of Battle.

3. It is requested that addressees forward 23 copies of their amendments to reach the Secretary by 4 Apr 62 as follows:

12 copies classified COSMIC TOP SECRET - unnumbered
11 copies classified TOP SECRET - unnumbered.

4. Copy numbers will be added in this office.

E.A. Blais
(E.A. Blais)
Major,
Secretary.

EAB/2-5459/1c

→ cc: J.K. Starnes, Esq.,
Dept. of External Affairs.
DSI
RCMP
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JOINT INTELLIGENCE COMMITTEE



RESTRICTED
(Enclosure **SECRET**)
CANADIAN EYES ONLY
CSC 7-12 (JIC)
CSC 1824-1 (JIC)

13 Mar 62

Ottawa, Ontario

This should be filed on

50028-B-40
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MEMORANDUM FOR THE JIC:

SOVIET BLOC AND CHINESE PENETRATION OF THE MIDDLE EAST AND AFRICA

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- Reference (a) CSC 7-12, CSC 1824-1 (JIC) of 14 Feb 62.
- Enclosure (1) Canadian JIC comments on UK JIC(61) 59 (Final) of 1 February, 1962 on the above subject.

Enclosure (1) is forwarded for your information.

MAR. 14, 1962

I think SIB comments are worth passing to Com. H.E. AMM
EAB/2-5459/wb
encl

E.A. Blais
(E.A. Blais)
Major
Secretary

to CC: JIS (2)
SOJIR
SOCI
JICLO(L) (For your personal information only)

~~Com. Dir. (Roberts)~~

~~F.B. Dir. (Small)~~

RESTRICTED

~~AME Dir~~ *Two books in Charpentier send to them March 29*

*to see
to file
to*

SECRET
(CANADIAN EYES ONLY)

CSC 7-12 (JIC)
CSC 1824-1 (JIC)

13 Mar 62

Comments on UK JIC(61) 59 (Final) of 1 Feb 62
"Soviet Bloc and Chinese Penetration of the
Middle East and Africa"

- XA: "This paper seems to concentrate largely on economics despite its broad definition of "penetration" in the opening paragraph and passes too quickly over diplomatic penetration in which respect the Soviet Union has had difficulties in the Congo and Guinea. You will note that only four lines are devoted to this point in paragraph 39. The paper also does not deal sufficiently with the relative failure of the Soviet troika idea and of the Soviet line on anti-colonialism at the last session of the General Assembly where the majority of African and Middle Eastern countries did not follow in Soviet footsteps. Finally it seems to us that the paper says too little about Morocco which accepted Soviet military equipment for the first time last year".
- DMI: DMI agrees with the general tenor of the paper and its conclusions and has no additional comments to offer.
- DNI: DNI has nothing to add to the UK JIC survey of Bloc penetration in this area and is in agreement with their conclusions.
- DAI: "DAI considers that the terms of reference for the subject paper are too wide; UK JIC(61) 59 (Final) overlaps Can JIC 430/1 (62), Can JIC 1321/1 (62), Can JIC 408/2 (61), Can JIC 409/2 (61) and Can JIC 410/2 (61). In consequence, the discussion is too general and the conclusion tends to convey an erroneous impression.

? The amount of Bloc military and economic aid is a relatively unimportant aspect of Sino-Soviet activity in the Middle East and Africa. The Communist Bloc has broken through Western barriers and has established firm bases in areas formerly exclusively Western.

The West has lost major military and economic advantages in Egypt, Syria, Iraq, Morocco, Ghana, Guinea, Mali, Somalia and Ethiopia. Even where the Bloc has failed to establish a foot-hold, astute Communist propaganda has undermined the Western position. Bases in Jordan, Tunisia and Saudi Arabia are no longer available and staging rights in the emerging independent territories are being denied the West.

.. / 2

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- 2 -

"Soviet success is facilitated by the fact that Communist objectives coincide in the short term with those of the nationalists. The latter wish to become independent of colonial ties; the Communists wish to remove Western influence so that the political, economic and military vacuums may be filled by the Soviet Union.

The realization by the Middle East and African states that an alternate source of economic and military assistance is available in the USSR has permitted the indigenous governments to place exorbitant and unacceptable demands on the West. Britain, France, Belgium, Portugal, Spain and the United States have been unable or are unwilling to meet the requirements and are, therefore, forfeiting advantages previously held."

This is a mistake - a paper says nothing of the kind!

JIB:

"Under the UK JIC definition an action which achieves political domination without aiming at it is not "penetration" while an action which aims at political domination without achieving it is "penetration". The criterion is intent. This does not seem very useful to us since we are more concerned with effect than we are with purpose. We are content to presume that in this field governments intend the consequences of their actions when those consequences are favourable to them.

Further, we do not accept the concept that the actions described in this paper are "unacceptable" while "in another context" they "would be normal and acceptable". We consider them normal and acceptable, with some exceptions. The reference to the Communist desire to have the East wind prevail over the West wind rather implies that we have no wish to have the West prevail over the East. We feel sure that this was not the intent of the drafters.

In the body of the paper, we find it difficult to reconcile the notion that Soviet "strategy is to contribute to the instability of the area by all means within her power" with the conclusion that "the Russianshave in general shown a relatively cautious and long-term outlook". The dilemma of Soviet policy, it seems to us, is between the expansion of Soviet "state influence" and the encouragement of the spread of communism. In spite of some local mismanagement, as for example recently in Guinea, we believe the Soviet Government is primarily concerned with its own influence and respectability. It certainly fosters anti-westernism but it has no vested interest in instability per se, unless anti-western views are automatically regarded as evidence of instability.

*It has
is instability on a massive scale
& is only in the short term only*

In para 46 the following statement occurs - "The Soviet Union is likely to continue to be prepared to offer aid as she thinks fit". We agree.

There are some points of detail. The Soviet Union has not "succeeded in diverting the major part of Egyptian trade to themselves". Less than 40% of total

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✓ Egyptian trade is with the Bloc, and a smaller proportion with the Soviet Union and the recent trend has been away from the Bloc. We also find it difficult to find support for the statement in para 41 that "the Middle East, in particular, seems to have a fairly low priority for Russian penetration activities". The evidence to the contrary is too voluminous to cite here.

With reference to the conclusions, we are not sure what could properly be called a dramatic increase but we have considered the initiation of a \$500 million economic aid programme in Africa in a little over two years and the doubling of aid to Ghana in one year as reasonably startling. We would not rule out further such developments. The "fair measure of success" is also difficult to gauge. Certainly the Soviet Union has persuaded a lot of people to accept money and arms. It has also succeeded in convincing some countries that it is a great and progressive nation. This for the communist moderates no doubt represents a measure of success; for the extremists it does not. On conclusion (b) we think there has been some competition but we find it difficult to envisage the form which "conflict" might take.

In general, this paper gives only a confused view of Bloc objectives and problems in the area".

DSI, RCMP, CB NRC: No comments.

Charron & Poirier: Note; Circulated for information.

SECRET

*John
SA*

~~RESTRICTED~~

File: 50028-B-40

Ottawa, March 5⁵ 12, 1962⁷

Major E.A. Blais,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Room 4431, "A" Building,
Ottawa, Ont.

Tripartite Meeting on Soviet BW and CW

In reply to your letter of February 21,
we wish to advise you that we have no objection to
Canadian participation in the Tripartite Meeting
on Soviet BW and CW if D.S.I. and others familiar
with this subject think that we would gain some-
thing from it.

(Sgd.) G. K. Starnes

J.K. Starnes
Defence Liaison (2) Division



M. Middleton

No comments from Encl. Div.
RESTRICTED
(Enclosure ~~SECRET~~)

Jir

JOINT INTELLIGENCE COMMITTEE

Mrs Webster
& register
Done
MAR. 13/62
v.w.
copy to Mr La Ruffe

CSC 7-17 (JIC)
CSC 1322-1 (JIC)

7 March, 1962.

Ottawa, Ontario

DNI
DMI
DAI
DSI
RCMP
JIB
CB NRC

To
Mrs Webster:
No comments other
please

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Done
MAR. 19/62
v.w.

**POLITICAL DEVELOPMENTS IN THE
USSR AND THE COMMUNIST WORLD**

Enclosure: (1) US NIE 11-5-62 dated
21 February, 1962 on the
above subject.

Enclosure (1) is forwarded for your information and
I would appreciate receiving receiving members' comments on the
above US NIE to reach the Secretary by 21 March, 1962.

E.A. Bleis
(E.A. Bleis)
Major,
Secretary.

Enc.

EAB/2-5459/1c

cc: CCOS
→ J.K. Starnes, Esq., (no enclosure)
Dept. of External Affairs.
JIS

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AR. 8 11962

European Division - Copy #114
African and Middle Eastern Division - #115
Far Eastern Division - #113.

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March 2, 1962.

Defence Liaison (2) Division

J. K. Starnes
AS

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UK JIC (61)59(Final) of February 1, 1962 - "Soviet Bloc and Chinese Penetration of the Middle East and Africa."

Attached is a copy of UK JIC paper on Sino-Soviet Bloc penetration of the Middle East and Africa. It seems to us that this paper concentrates largely on economics despite its broad definition of "penetration" in the opening paragraph, and passes too quickly over diplomatic penetration in which respect the Soviet Union has had difficulties in the Congo and Guinea. You will note that only four lines are devoted to this point in paragraph 39. The paper also does not deal sufficiently with the relative failure of the Soviet troika idea and of the Soviet line on anti-colonialism at the last session of the General Assembly where the majority of African and Middle Eastern countries did not follow in Soviet footsteps. Finally it seems to us that the paper says too little about Morocco which accepted Soviet military equipment for the first time last year. Any comments that you may have on this paper will of course be welcome.

(Sgd.) G. K. GRANDE

J. K. Starnes,
Defence Liaison (2) Division.

DL(2)/R.M. Middleton/P. Trottier/cmd

File
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File: 50028-B-40

Ottawa, March 2, 1962.

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Your file: CSC 7-17(JIC)
CSC 1824-1(JIC)

Major E.A. Blais,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Ottawa, Canada.

In your letter of February 14 you asked for our comments on UK JIC (61)59(Final) of February 1, 1962 on Soviet Bloc and Chinese penetration of the Middle East and Africa.

This paper seems to concentrate largely on economics despite its broad definition of "penetration" in the opening paragraph and passes too quickly over diplomatic penetration in which respect the Soviet Union has had difficulties in the Congo and Guinea. You will note that only four lines are devoted to this point in paragraph 39. The paper also does not deal sufficiently with the relative failure of the Soviet troika idea and of the Soviet line on anti-colonialism at the last session of the General Assembly where the majority of African and Middle Eastern countries did not follow in Soviet footsteps. Finally it seems to us that the paper says too little about Morocco which accepted Soviet military equipment for the first time last year.

...../2

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These comments are for our own intelligence community and not for forwarding to the UK JIC. It is possible, although unlikely, that we might have further observations to make for referral to them and if we do we shall send them to you later.

John Starnes

J.K. Starnes,
Defence Liaison (2) Division.

RESTRICTED
(Enclosure SECRET)



JOINT INTELLIGENCE COMMITTEE

CC 1374-5 (JIC)
CC 1374-1 (JIC)

2 March, 1962.

Ottawa, Ontario

JIB

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CAPACITY OF SOVIET RAILWAYS	55 50

Reference: (a) Minutes of the 868th meeting,
Item XIII

Enclosure: (1) SHAPE 0470.1/17 dated 21 Feb 62
on the above subject.

The SHAPE proforma's at enclosure (1) are forwarded for your information. In view of the fact that we have decided not to send a delegate to the May 1962 SHAPE railway conference, there may be no point in completing the enclosed forms.

2. Will you please advise me of your decision in order that I can inform the ACNMR SHAPE.

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

- cc: Mr. J.K. Starnes,
Dept. of External Affairs (no enclosure)
- DNI "
 - DMI "
 - DAI "
 - DSI "
 - RCMP "
 - CB NRC "
 - JIS (2) "
 - SOJIR "
 - SOCI "

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(Enclosure SECRET)



JOINT INTELLIGENCE COMMITTEE

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CSC 1439-4 (JIC)

27 February, 1962.

Handwritten signature and initials

Ottawa, Ontario

MEMORANDUM FOR THE JIC:

TRIPARTITE MEETING ON SOVIET BW AND CW

Enclosure: (1) DSI letter, F-92 dated 26 Feb 62

The letter at enclosure (1) is forwarded for comment by members.

2. If members would kindly let me have their views on Canadian participation in this conference by 9 Mar 62, I will place the consensus before the Committee for a decision.

Handwritten signature
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

cc: JIS (2)
SOJIR
SOCI

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DSI Ref: F-92

DEPARTMENT OF NATIONAL DEFENCE

Defence Research Board

Ottawa, Ontario,
26 February, 1962.

L

Secretary,
JIC

TRIPARTITE MEETING ON SOVIET BW AND CW

1. DSI has received from the Defence Research Member, London, notification that a tripartite meeting on Soviet BW and CW is to be held in London on 21-23 May 1962, i.e. just prior to the MI10 technical intelligence conference. The meeting will be sponsored by DSI, London and the UK Working Party and not by the UK JIC. Draft agenda and formal invitation will be sent by the Director of Scientific Intelligence. US and UK rerepresentation will include OSI, DSI and the Army, Navy and Air Force intelligence agencies. DSI, London would like to know our preliminary reaction, including the probable number of Canadian delegates.

2. It is suggested that you raise this question with the members of the JIC and advise us.

(sgd) R. Martineau
for Director of Scientific Intelligence

*Mrs W
92429*

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JOINT INTELLIGENCE COMMITTEE

CSC 7-17 (JIC)
CSC 1322-1 (JIC)

19 Feb 62

Ottawa, Ontario

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MEMORANDUM FOR THE JIC:

THE SOVIET STRATEGIC MILITARY
POSTURE, 1961-1967

Reference: (a) CSC 7-17, CSC 1322-1 (JIC)
of 13 Feb 62

Please note that paragraph 4 of the DSI comments
on US NIE 11-14-61 circulated under the above file
reference, should read:

"DSI disagrees with that part of paragraph 34 ...".

Ad
AD

(E.A. Blais)
Major,
Secretary.

EAB/2-5459/1c

cc: JIS (2)
SOJIR
SOCI
JICLO(W) (for your personal information only)

RESTRICTED
(Enclosure **SECRET**)



JOINT INTELLIGENCE COMMITTEE

CSC 7-17 (JIC)
CSC 1824-1 (JIC)

14 February, 1962.

Ottawa, Ontario

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*handed
20/2/62
CMAH*

*Mr Douglas
L. Register*

→ J.K. Starnes, Esq.,
Dept. of External Affairs.

- DNI
- DMI
- DAI
- DSI
- RCMP
- JIB
- CB NRC

to JIC

*Memo to G/E, Eur
& A/M/E*

March 2 1962

FILE

SOVIET BLOC AND CHINESE PENETRATION
OF THE MIDDLE EAST AND AFRICA

Enclosure: (1) UK JIC(61)59 (Final) dated
1 Feb 62 on the above subject.

Enclosure (1) is forwarded for the information of
members and I would appreciate receiving comments by 28 Feb 62.

Enc.

EAR/2-5459/1c

cc: JIS (no enclosure)

E.A. Blais
(E.A. Blais)
Major,
Secretary.

*Do you intend
to ask for
comments?*

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*Mr.
Blais*

CONFIDENTIAL

JIB BRIEF NO: 6/62

COPY NO: 3 OF 17

5 February 1962.

INTELLIGENCE BRIEF

50028-B-40	
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PREPARED FOR: J.I.C.
 BY: J.I.B.
 SUBJECT: 1961 Soviet Plan Fulfilment
 SOURCE: Pravda
 DATELINE OF REPORT: January 1961.

1. An initial official estimate places the level of the Soviet net national product (national income in Soviet terms) in 1961 at 153 billion roubles, an increase over 1960 of 2 per cent less than the 9 per cent called for in the annual plan. Nevertheless, this lower rate of growth is still in keeping with the Seven Year Plan, which implied average annual rates for 1959-1965 of 7.1 to 7.4 and a final net national product of 202.5 to 206.3 billion roubles for 1965.

2. The gross value of industrial output is reported to have risen 9.2 per cent over 1961, a slight overfulfilment of the annual plan. Producer goods industry (group A) increased its output by more than 10 per cent, 0.5 per cent more than planned, but consumer goods industry failed to meet its target of 6.9 per cent by 0.3 per cent, thus registering the lowest rate of increase since 1956.

3. During the period 1959 to 1961, gross industrial output is reported to have increased by 33 per cent, whereas the planned growth was only 27 per cent. However, throughout these years an interesting relationship has developed between planned and actual increases in industrial production, in that while the forecasts of growth have steadily increased, fulfilment rates have declined. This trend may reflect the acquisition of increased skill in planning or a decision to make plans more realistic. Should the decline continue, the 1965 goal for industrial production will be in some jeopardy but there is no evident reason why this should occur and, provided a rate not markedly less than the 8.6 per cent a year growth set forth in the Seven Year Plan is maintained for the balance of the period, the comprehensive industrial aims of the Plan will be fulfilled. Consumer goods industry, however, will certainly fall short of the 1965 target, unless last year's rate is exceeded during 1962-1965, since the average required is 7.3 per cent.

4. Soviet grain output in 1961 is claimed to be 137.3 million metric tons, 2.9 million tons above the 1960 harvest and the second largest in USSR history. No forecast of expected grain output in 1961 was published, so that it is not immediately evident whether the year's harvest is up to expectations. However, the Seven Year Plan proposed a 1965 harvest of 164-180 million tons, an implied average annual rate of growth in terms of the record harvest of 1958 of 2.2 to 3.5 per cent or absolute annual increments of 3.3 to 5.5 million tons. The increase for 1961 was therefore less than the minimum annual forecast implied in the Seven Year Plan, even though it exceeded the 1959-61 average. On this basis there appears to be little likelihood that grain output will approach even the lesser target proposed for 1965, since in order to do so, grain output must now increase in absolute average terms at approximately double the amount originally implied.

5. An officially reported decrease in state purchases of meat during 1961 compared with 1960, points to a failure of agriculture to provide the increased supplies of livestock for slaughter proposed in the annual plan.

CONFIDENTIAL
JIB BRIEF NO: 6/62
5 February 1962

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According to one western source, meat output at state slaughter houses dropped 2 to 3 per cent in 1961, while per capita availability of meat may be as much as 10 to 15 per cent below the 1959 level.

6. Investment under the terms of the state plan is said to have fallen short of the target by 5 per cent. The immediate causes of underfulfilment were apparently a lower than expected value of construction work and below plan purchases of capital equipment, probably caused as much by an inability of industry to accept delivery as by shortcomings in supply. There are indications that investment in the chemical, metallurgical, engineering and light and food industries fell short of the levels proposed in the annual plan.

7. Housing construction continued to lag significantly behind the goals set for it. In 1961, 96 million square metres of urban living space were to have been built, in keeping with the Seven Year Plan. In fact, just over 80 million square metres were completed, of which 57 million were built wholly with state funds for state authorities and 23 million with state credits for private owners. The greatest deficit occurred in the area built for private owners since the average yearly amount required by the Seven Year Plan is about 33 million square metres. Similar failure was evident in rural communities where, according to the Seven Year Plan about 1 million dwellings should have been built in 1961, whereas the number of constructions in fact reported was only about 500,000

8. Soviet transport facilities in 1961 met the target set by the annual plan for receipt and carriage of goods by water rail and oil pipelines but underfulfilled by 3 per cent the aims for road transport, although the actual performance of the latter was 7 to 8 per cent above 1960. By the year's end the total length of rail lines converted to electric and diesel traction was 41,000 km. The carriage of goods by diesel and electric trains increased 24 per cent and amounted to 51.5 per cent of all goods hauled by rail compared with 43 per cent in 1960 and 26 per cent in 1958. Official criticism continued to be levelled at the industrial enterprises for their failure to release rolling stock promptly.

9. Employment in the state sector of the economy rose to a new high of 66 million persons, the level of employment originally proposed for 1965 by the Seven Year Plan. The year's increase of 3.95 million was 750,000 more than expected and was to some extent made necessary by the failure of industrial labour productivity to expand by the proposed 6 per cent. In addition to the increase in numbers employed, average wages in the state sector increased 4 per cent.

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RCMP	9
Mr. McGibbon	10 and 11
Filo	12 to 14
Mr. Fish for EIC	15 to 17

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February 2, 1962.

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MEMORANDUM FOR THE MINISTER

Soviet Atomic Test

We have just received information from U.S. intelligence sources that the Soviet Union conducted an underground atomic test this morning in the Semi-Palatinsk area. The explosion which is estimated to be in the 50 K.T. range was detected by seismic means and took place at 3:00 a.m. Ottawa time (08:00 GMT).

In view of the relatively small size of the explosion the U.S. authorities have not yet decided whether to make public the fact that they have detected it.

G. IGUMNEFF
N.A.R.

c.c. -Mr. McIlwraith ✓

Seen Egan B

Gen. Burns

It is conceivable that the Russians have set off this underground explosion partly, if not entirely, with the intention of provoking the U.S.A. into a public acknowledgement that their "national" detection facilities have recorded it - the aim being to "prove" that national systems of detection are sufficient in themselves for the purposes of a test ban agreement.

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KDM Feb 2/62

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NATURAL GAS IN THE SOVIET UNION

The attached paper on natural gas in the Soviet Union is intended to summarise as briefly as possible the salient facts of this rapidly expanding industry.

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NATURAL GAS IN THE SOVIET UNION

1. Natural gas is divided into two types:
 - a) Natural gas emanating from gas deposits.
 - b) Similar gas recovered from oil fields known as recovery gas or casing-head gas.

Russian figures for natural gas normally include both types as well as a very small proportion of gas derived from coal and shale.

2. The U.S.S.R. probably has the largest natural gas deposits in the world. Soviet claims for ultimate reserves are nearly double the equivalent in the U.S.A. It is the fuel whose production rate is planned to increase faster than that of any other fuel in the U.S.S.R., and by 1965 will account for up to 20% of energy production in the country.

3. Production figures show that Soviet concentration on natural gas dates from the middle fifties thus:

1940	3.2	milliard	cubic	metres
1945	3.3	"	"	"
1950	5.8	"	"	"
1955	9.0	"	"	"
1957	18.6	"	"	"
1958	28.1	"	"	"
1959	35.4	"	"	"
1960	45.3	"	"	"
1961	59.5	"	"	" plan
1965	148.3	"	"	" "
1970-72	270-320	"	"	" "

(For comparison U.S. production in 1958 stood at 375 milliard cubic metres).

4. Since 1958 Soviet production has consistently fallen short of plan.

/ This is due...../

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This is due to shortages in:

- a) Compressor and other ancillary equipment on pipelines,
- b) storage space which is vital for fluctuating demand,
- c) facilities for local distribution and user equipment
- d) and possibly, shortage of pipelines.

5. Interest at present centres on:

a) Gas pipeline

The 7-year plan calls for the laying of 30-32,000 Kms of trunk oil pipeline and 20-28,000 Kms of trunk gas pipeline. Russian manufacturing capacity is inadequate to supply the needs of both and the balance must therefore come from imports. The shortage is most critical in the largest size - 40 inches - of which 2 million tons are required for the oil and gas programmes: 400,000 tons for oil, 1,600,000 tons for gas.

b) Exports

At present the U.S.S.R. exports no gas except a little to Poland from former Polish territory. Gas can only be exported in quantity by pipeline or by specialised gas tanker (ship). The U.S.S.R. is not known to be planning a pipeline to facilitate exports, but there have been signs of interest in gas tankers. These could of course be used for internal or coastal distribution in remote areas. However, W. Europe's requirements for natural gas are growing rapidly, and it would be natural for the U.S.S.R. to look to W. Europe as a possible outlet for its rapidly expanding production.

6. We require the following:

- a) Any indication that large scale pipeline (20 - 40 inches) ordered outside the Bloc is specifically for the oil or gas programmes.
What are the distinguishing technical features?
- b) Any indications of shortages of pumping and other ancillary equipment for the natural gas industry.
- c) Any indication of the intention to export natural gas in quantity to any countries other than Poland as at present.

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COPY NO. 1

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(Unless otherwise
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Item I - SECRET -
UK/CANADIAN EYES ONLY

JOINT INTELLIGENCE COMMITTEE

Minutes of the 870th meeting of the Joint Intelligence
Committee held in Room 4437, "A" Building on Thursday,
1 February, 1962 at 0930 hours.

PRESENT

- Mr. J.K. Starnes, (Chairman)
Department of External Affairs.
- Capt. R.W. Murdoch,
Director of Naval Intelligence.
- Lt.-Col. C.P. Haynes,
Representing the Director of Military Intelligence.
- W/C E.L. Howey,
Representing the Director of Air Intelligence.
- Superintendent W.H. Kelly,
Royal Canadian Mounted Police.
- Mr. I. Bowen,
Director, Joint Intelligence Bureau.
- Dr. R. Martineau,
Representing the Director of Scientific Intelligence.
- Mr. E.M. Drake,
Director, CB NRC.

D-2
 [Handwritten initials and signatures in a grid]
 G. C. BROWN
 15.1962

Spid
AD

.....

SECRETARIAT

Maj. E.A. Blais,
Joint Staff.

.....

ALSO PRESENT

- Col. R.G. Kingstone,
Deputy Coordinator, Joint Staff.
- Lt.-Col. R.M. Bourgeois,
Mr. E.A. Cureton,
Joint Intelligence Staff.
- Mr. D.A. Camfield,
Joint Intelligence Bureau.

.....

Major-General Sir Kenneth Strong,
Director, British Joint Intelligence Bureau.

.....

THESE MINUTES ARE TO BE SEEN BY CANADIAN OFFICIALS ONLY.

870011 meeting

- 2 -

SECRET

I. VISIT - MAJOR-GENERAL SIR KENNETH STRONG,
DIRECTOR, BRITISH JIB (SECRET)
(UK/CANADIAN EYES ONLY)

1. The Chairman welcomed Sir Kenneth and invited him to address the Committee on those matters which he thought significant in the light of his recent visit to Washington, D.C.

(CSC 5-11-17 (JIC))

2. Major-General Strong thanked the Chairman for his remarks and stated that perhaps he should start by giving his personal impressions of the new Defence Intelligence Agency (DIA). General Strong pointed out that his first impression before leaving England was that the establishment of the DIA was not a very logical step in that the proposed organization did not follow normal command and planning structure. However, after meetings with DIA officials he had revised his opinion. One reason was that the DIA is only one of several central organizations which have been created under the Defence Department and therefore the DIA organization is not unique in American terms. The second reason is that the Chiefs of Staff in the U.S. will no longer be responsible for planning and intelligence which will be done under the Joint Chiefs of Staff. The role of the individual Chiefs of Staff will be more to implement the decisions of the Joint Chiefs of Staff and the Secretary of Defence and, therefore, the need for their own intelligence has been greatly reduced. Although a final decision has not yet been reached, it is possible that the various Service intelligence agencies will be retaining control over technical intelligence and the deployment of attaches. However, the Service will not be directly involved in the production of strategic intelligence estimates and the current intelligence function.

3. General Strong stated that he found the Americans concerned with three principal intelligence problems. These were - Cuba, the missile question, and the projection of estimates possibly four or five years ahead. In regard to the problem of producing future estimates, General Strong stated that there are a number of things which can be done to improve this. One way being followed by the British JIB is the establishment of a special section to study Russian strategic doctrine and ideas and the reaction of the USSR to published US strategic thinking. Another direction in which to look for clues is scientific research and development in the USSR.

4. General Strong then referred to a meeting attended by representatives of the Commonwealth JIBs and CIA which took place in Melbourne several years ago to discuss intelligence research methods. This meeting had been found to be quite useful and the U.S. CIA will now sponsor a similar meeting in October 1962 to which the British Government hopes to send planning and training as well as intelligence representatives. Among the questions that will be investigated is the relationship between intelligence and policy-making, in other words,

870th meetingSECRET

- 3 -

what is the best method of feeding intelligence to the decision making process. Other problems to be discussed are the relationship between science and intelligence, and the relationship between automation and intelligence. Finally the conference will look into the problem of recruiting suitable civilian personnel for intelligence work. Under this subject the specific problem of blending of career civilian officers and relatively short-term employment of military officers into the Services' intelligence directorates will be considered. This conference would be of interest to all intelligence directors.

5. General Strong then devoted a few words to the present Sino-Soviet relationship and stated that recent British JIG papers as well as U.S. NIE's on Soviet defence policy were more or less in agreement that the Soviet military posture is primarily defensive in nature. In other words, Russia does not want war. General Strong felt that this conclusion warranted careful examination. The British authorities had felt that Khrushchev was basically underwriting a deterrent policy which involved mainly a retaliatory strike capability and therefore a first strike capability was not required. It is for this reason that the USSR was not producing heavy bombers and had initially announced a reduction in the armed forces. However, it is agreed that Khrushchev had experienced difficulties over this thesis with senior Service officers but had eventually won out. In this respect there is no doubt that he was helped by the flow of information emanating from the U.S. on the extent of the missile gap which inferred that the USA was inferior to Russia in missiles. General Strong stated that despite these pronouncements from the U.S. some authorities in Britain did not really believe that a large missile gap existed and had always felt that the Soviet strength in bombers, missile carrying aircraft and missiles was not too high. General Strong then recalled how in September 1961 press reports appeared in the U.S. which claimed that the Soviet missile strength was not as great as had been supposed. He pointed out that this had an effect on Soviet policy. This may have been a contributing factor in causing Khrushchev to back off in the Berlin crisis. It was now apparent that Khrushchev had to convince his senior military authorities that the deterrent policy was still valid and that the combined strength of all his strategic weapons was sufficient to guarantee safety of the Soviet Union. General Strong therefore suggested it was most important to keep a careful watch on the future development of all Soviet weapons systems not just ICBM's.

6. As regards China, General Strong stated that one big question which still remains unanswered is how close the Chinese are to the development of nuclear weapons. Khrushchev must be giving serious consideration to his military position vis-a-vis China. Although a reasonable size deterrent may be sufficient to take care of any eventualities as regards the West, the problem for Khrushchev is how to convince his people that the same size deterrent is in fact sufficient to deal with any eventualities in respect to China.

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SECRET

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7. In regard to Chinese possible courses of action in the Far East, General Strong conceded that the situation there changes rapidly and that possibly China is the determining factor in this area. He felt, however, that China could not pursue a very aggressive policy in the Far East due to basic domestic problems and her relationship with Russia.

8. A short question period followed after which the Chairman thanked Major-General Strong for his interesting comments and expressed the hope that he would again visit with the Joint Intelligence Committee in the not too far distant future.


(E.A. Blais)
Major,
Secretary.

EAB/2-5459/1c
13 February, 1962.

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RESTRICTED

File: 50028-B-40

Ottawa, 5 January 31, 1962.

Your file: CSC 7-17(JIC)
CSC 1322-1(JIC)

Major E.A. Blais,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Ottawa, Canada.

The Soviet Strategic Military Posture
1961-1967

In reply to your letter of 22 January, 1962 we wish to inform you that this Department has no comments on US NIE 11-14-61 dated 21 November 1961 concerning "The Soviet Strategic Military Posture, 1961-1967".

John Starnos

J.K. Starnes,
Defence Liaison (2) Division.

DL(2)/R.M. Middleton/cmd



SECRET

File: 50028-B-40

Ottawa, January 31, 1962.

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Your file: CSC 7-17 TD 79(JIC)
CSC 1322 - 1 (JIC)

Major E.A. Blais,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Ottawa, Canada.

Main Trends in Soviet Capabilities
and Policies, 1961-1966

In reply to your letter of January 24,
1962 we wish to inform you that this Department has
no comments on US NIE 11-4-61 dated January 10, 1962
concerning "Main Trends in Soviet Capabilities and
Policies, 1961-1966".

John Starnes
J.K. Starnes,
Defence Liaison (2) Division.

DL'2)/R.M. Middleton/cmd

RESTRICTED

File: 50028-B-40

Ottawa, January 17, 1962.

55 5-D

Your file: CC 1146-1(JIC)

Secretary, Joint Intelligence Committee,
Department of National Defence,
Ottawa, Canada.

Soviet and Satellite Order of Battle

In reply to your letter of January 15 we wish to inform you that this Department has no comments on the above mentioned paper.

John Starnes

J.R. Starnes,
Defence Liaison (2) Division.

67th meeting

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SECRET

I. INTELLIGENCE BRIEFS (CONFIDENTIAL)

1. The Committee approved certain intelligence briefs which were distributed to members during the week ending 16 January, 1962. The Committee also:

- (a) noted that DNI Brief S1-62 of 3 Jan 62 and Department of External Affairs Brief of 15 Jan 62 were withdrawn.
- (b) authorized the release of GMIWG(P&O) Brief 1/62 of 10 Jan 62 to appropriate British - US authorities.

ACTION: SOCI
Secretary, GMIWG(P&O)

II. JIC WEEKLY INTELLIGENCE REPORT (SECRET)

2. The Committee amended and approved JIC Weekly Intelligence Report No. 3/62 for the period 10 - 16 January, 1962.

ACTION: SOCI

III. "WESTERN" EXERCISES SCHEDULED FOR JAN 62 (RESTRICTED)

3. The Committee noted a report of "Western" exercises scheduled for the remainder of the month of January 1962.

IV. RELEASE OF WEEKLY INTELLIGENCE REPORT (SECRET)

4. The Committee agreed that the entire contents of WIR 3/62 could be released to the Australian JIC.

ACTION: SOCI

V. CHIEFS OF STAFF COMMITTEE - INTELLIGENCE BRIEFING (RESTRICTED)

5. The Committee agreed that the intelligence briefing of the Chiefs of Staff Committee on 18 Jan 62, would be given by S/L Bell and G/C Dilworth would attend on behalf of the Committee.

ACTION: DAI
SOCI

VI. CALL-OVER OF WORK IN ARREARS (CONFIDENTIAL)

6. The Committee noted the weekly review of contributions and comments in arrears.

(CSC 2-1-3-1 (JIC) of 16 Jan 62)

867th meeting

- 3 -

SECRET

VII. MINUTES OF THE 865TH AND 866TH MEETINGS (RESTRICTED)

7. The Committee approved the Minutes of these meetings.

ACTION: Secretary.

VIII. SITUATION IN GOA (CONFIDENTIAL)

8. As requested at the 865th meeting the Chairman reported that he had looked into the question of the reported late arrival of Canadian Embassy, Washington message, WA 3786 of 15 Dec 61, on the situation in Goa. The Chairman stated that the message in question had arrived on Saturday and was available in the JIR on Monday, 17 Jan 62 but by this time had been overtaken by events. Mr. Bowen suggested that one way to overcome the difficulties of staffing messages arriving over a weekend was to remind Canadian missions abroad of the use of "INDIC" messages in appropriate circumstances.

(CSC 7-8-1 (JIC))

9. The Committee:

(a) Noted the Chairman's remarks; and

(b) agreed that the JIC might re-examine the matter of the instructions to Canadian Missions abroad in referring certain messages to the JIR.

ACTION: Secretary.

IX. GUIDED WEAPONS INTELLIGENCE (CONFIDENTIAL)

10. The Committee considered a report by the Ad Hoc Committee on Guided Weapons Intelligence which had been established by the JIC at its 832nd meeting on 5 Jul 61.

(CSC 6-2 (JIC) of 29 Dec 61)

11. The Committee reviewed the recommendations contained in paragraphs 7(a), (b), (c), (d), (e), 10, 11(a), (b), 13, 14(a), (b), and 15 of the report by the Ad Hoc Committee.

12. The Committee:

(a) approved these recommendations; and

(b) directed the Secretary to implement the recommendation of the Ad Hoc Committee contained in paragraphs 7(d), 7(e), 10, 11(b), 14(a), 14(b) and 15.

ACTION: Secretary.

867th meeting

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SECRET

X. PROCEDURES FOR INSPECTION OF SINO-SOVIET (SECRET)
BLOC SHIPPING IN CANADIAN PORTS

13. The Committee considered CANADIAN JIC 431(62) dated 10 Jan 62 on the above subject which had been jointly prepared by the Department of External Affairs and the Directorate of Naval Intelligence.

(CSC 7-17 (JIC) of 15 Jan 62)

14. The Chairman opened the discussion of this item by seeking members' views as to whether this paper should be directed to the IPC or another body. Mr. Eon questioned certain facts stated in the paper and suggested that the paper would have more weight if it was based on the NATO recommendations as shown in the appendix. Mr. Bowen thought that the paper should make a careful distinction between those arrangements currently in force for the St. Lawrence Seaway and those contemplated for other Canadian ports. Capt. Murdoch agreed with this and stated that it was not the intention to alter the present Seaway arrangements in respect to Sino-Soviet Bloc shipping. The Chairman explained the background to the decision to have RCMP supervision of the Seaway and agreed that paragraph 25(1) should be made clear that it was not intended to disturb the decision which had already been taken by Ministers. Insofar as the NATO recommendations contained in the appendix to the paper, the Chairman pointed out that these recommendations do not reflect a NATO Council decision but rather, are the views of the Special Committee. Capt. Murdoch stated that NATO recognizes this as a national problem of security and intelligence and as such any action which a country decides to take would be in response to its own national interests and not because of the NATO recommendations.

15. After further discussion, the Committee:

(a) agreed that the authors of the paper would undertake certain revisions in the light of the discussion; and,

~~(b) agreed that the revised paper would be cleared secretarily prior to submission to the IPC.~~

ACTION: Chairman
DNI
Secretary

XI. DEPLOYMENT OF SERVICE ATTACHES (SECRET)

16. The Committee considered a memorandum from the Secretary which requested members to:

(a) recommend to the PMC the allocation by Service of the attache posts in India and Pakistan; and,

867th meeting

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SECRET

- (b) review the proposals for four additional attache vacancies.

(CSC 9-4-3 (JIC) of 11 Jan 62)

17. The Chairman pointed out that at the JIC meeting on 10 Jan 62 it had been agreed to consider the allocation of the attache posts in India and Pakistan in the light of the overall attache slate. The proposal for four additional vacancies, however, changes the complexion of this discussion and in his view it would be highly undesirable to put forth any proposals for an increase in the attache slate. If any changes in locations were desired perhaps the best way to accomplish this would be to recommend to the Ministers concerned a revision of the present attache slate of 22. He therefore suggested that the Sub-Committee of the JIC which had been formed on 23 Nov 60 to review the attache slate be reconvened and be charged with the task of recommending a revised slate, in order of priority, based on the proposal in front of the Committee for four additional vacancies, in the light of intelligence requirements. Insofar as the question of recommending to the PMC the allocation by Service of the attache posts for India and Pakistan he suggested that the Secretary ascertain from the Secretary, PMC if there was any degree of urgency for this recommendation. If not, this question could be decided in the light of the recommendation by the Sub-Committee of the JIC.

18. After discussion, the Committee:

- (a) agreed that the Sub-Committee of the JIC would prepare a revised slate of Service Attaches, with supporting data, for consideration by the JIC at the meeting to be held on 31 Jan 62; and,
- (b) agreed to the Chairmans' suggestion that further discussion of the allocation of vacancies in India and Pakistan be undertaken in the light of the date of the PMC requirement for JIC recommendations.

ACTION: DNI
DMI
DAI
Secretary.

XII. SEMI-ANNUAL REVIEW OF THE TRIPARTITE INTELLIGENCE ALERT INDICATOR LIST

(SECRET)

19. The Committee considered a memorandum from the Secretary containing a proposal by the USIB that no new revision of the present Indicator List is required at this time and seeking the Committees concurrence in this proposal.

(CSC 2128-1 (JIC) of 11 Jan 62)

867th meeting

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SECRET

20. The Secretary informed the Committee that the SOJIR recommends that the Committee accept the USIB proposal.

21. The Committee agreed to this proposal and instructed the Secretary to inform the Director of the National Indications Center.

ACTION: Secretary.

XIII. IRBM LAUNCHERS DEPLOYED AGAINST NATO TARGETS IN EUROPE (CONFIDENTIAL)

22. The Committee considered a draft reply to a SHAPE request for additional information or comments on the numbers of IRBM launchers within range of NATO targets in Europe.

(CC 1374-1 (JIC) of 15 Jan 62)

23. The Committee approved the draft reply.

ACTION: Secretary.

XIV. TRIPARTITE CONFERENCE ON ICBM'S AND THE 2,500 N.M. MISSILES - OTTAWA, 26 FEB - 2 MAR 62 (SECRET)

24. The Committee considered a memorandum from the Secretary which requested members to:

- (a) note the proposed agenda; and,
- (b) approve the draft invitations to the Chairman, British JIC and the Chairman, USIB.

(CSC 6-2 (JIC) of 16 Jan 62)

25. Mr. Bowen suggested that in order to be consistent with CANUS-62 the nomenclature of the 2000 n.m. missile be changed to the 2500 n.m. missile. The Chairman stated that prior to forwarding an official invitation to the British and United States authorities the Committee should seek the approval of the Chairman, Chiefs of Staff for Canada to act as host at this Working Group Conference.

26. The Committee then:

- (a) noted the proposed agenda,
- (b) approved the draft invitations subject to receiving approval from the CCOS for Canada to act as a host for this conference; and,
- (c) agreed to Mr. Bowen's proposal.

ACTION: Secretary
GMIWG(S&T)

867th meeting

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SECRET

XV. VISIT - DIRECTOR, JOINT INTELLIGENCE BUREAU - LONDON (RESTRICTED)

27. Mr. Bowen informed the Committee that Major General Sir Kenneth Strong, the Director of the Joint Intelligence Bureau - London would be making an official visit to Ottawa during the period 29 - 31 Jan 62 and recommended that the Committee arrange to hold a special meeting with General Strong.

(CSC 5-11-17 (JIC))

28. The Committee noted with pleasure the forthcoming visit of General Strong and agreed to meet with him at 1100 hours on Tuesday, 30 Jan 62. The Committee also instructed the Secretary to make the necessary arrangements for a luncheon to be held in honour of this distinguished visitor.

ACTION: Chairman
Members
Secretary.

XVI. VISITS ABROAD BY SERVICE DIRECTORS OF INTELLIGENCE (RESTRICTED)

29. The Chairman requested that when members of the Committee and in particular the Service Directors of Intelligence, are scheduled to make visits abroad that prior notice be given to the Department of External Affairs so that the Missions concerned could be notified through the appropriate channels.

(CSC 2431-1 (JIC))

30. The Committee noted the Chairman's remarks.

XVII. SECRETARIAL REVIEW (CONFIDENTIAL)

31. The Committee instructed the Secretary to discuss the following items with the British JIC Liaison Officer:

(a) Intelligence Briefs.

(CSC 1769-1 (JIC))

ACTION: Secretary.


(E.A. Blais)
Major,
Secretary.

EAB/2-5459/1c

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(On next page)

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JOINT INTELLIGENCE COMMITTEE

Minutes of the 866th meeting of the Joint Intelligence Committee held in Room 4437 "A" Building, on Friday, 12 January 62, at 0930 hours.

PRESENT

- Mr. J.K. Starnes,
Department of External Affairs.
- Cdr W.H. Willson,
Representing the Director of Naval Intelligence.
- Col R.E. Hogarth,
Director of Military Intelligence.
- G/C L.C. Dilworth,
Director of Air Intelligence.
- Inspector D.E. McLaren,
Royal Canadian Mounted Police.
- Mr. I. Bowen,
Director, Joint Intelligence Bureau.
- Mr. L.G. Eon,
Director of Scientific Intelligence.
- Mr. E.M. Drake,
Director, CB NRC.

Chairman

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JAN 16 1962

John
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SECRETARIAT

- Maj E.A. Blais,
Joint Staff.

ALSO PRESENT

- Col R.G. Kingstone,
Deputy Coordinator, Joint Staff.
- Mr. E.A. Cureton,
Joint Intelligence Staff.
- Mr. P. Trottier,
Department of External Affairs.

THESE MINUTES ARE TO BE SEEN BY CANADIAN OFFICIALS ONLY

866th meeting

SECRET

- 2 -

I. BASIC ASSUMPTIONS FOR AN ASSESSMENT
OF THE LONG TERM THREAT TO NATO

(SECRET)

1. As agreed at the 865th meeting the Committee gave further consideration to this item in the light of members comments on the Secretary General NATO proposals on the basic assumptions for an assessment of the long range threat to NATO.

(CSC 1788-1 (JIC) of 11 Jan 62)

2. The Chairman invited members attention to a message from the Canadian Delegation to the North Atlantic Council, dated 10 January 62, which reported the initial discussion by the NATO Council of SGM-681-61, on the assessment of the threat, and to a draft reply to the Coordinator, Joint Staff which had been prepared by the Department of External Affairs.

3. After discussion the Committee prepared a draft reply to the Coordinator, Joint Staff agreeing to the basic assumptions as proposed by the Secretary General, subject to certain recommendations for amendments to paragraphs 4(b) and 4(c) of these assumptions.

ACTION:

Mr. Trottier

II. WAR EMERGENCY PLAN FOR THE JOINT
INTELLIGENCE COMMITTEE AND INTELLIGENCE
STAFFS

(SECRET)

4. The Committee considered a memorandum from the Secretary forwarding certain proposals for the establishment of a joint Intelligence Staff at NEHQ. These proposals were prepared in reply to a request from the Joint Planning Staff pointing out that consideration was now being given to a revised concept whereby a small tri-service staff would be located at NEHQ and therefore certain personnel data was required on the size and composition of the intelligence component of this proposed staff.

(CSC 5-11-4-2 (JIC) of 11 Jan 62)

866th meeting

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5. After discussion the Committee amended and approved the proposals contained in the Secretary's memorandum and instructed the Secretary to advise the Joint Planning Staff of the agreed requirements for intelligence personnel at NEHQ.

ACTION:

Secretary


(E.A. Blais)
Major
Secretary

EAB/2-5459/wb
12 January, 1962

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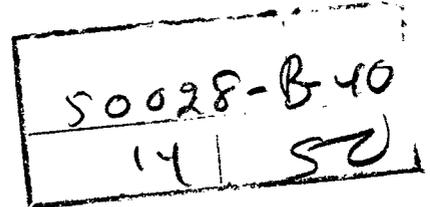
1085/217D

OFFICE OF THE HIGH COMMISSIONER
FOR THE UNITED KINGDOM,
Earncliffe,
OTTAWA.

11th January, 1962.

file

Dear John,



I return herewith, with thanks,
copy No.40 of Canadian J.I.C. paper JIC 423/2
(61) of the 1st November, 1961 - "Sino-
Soviet Economic and Military Relations" -
which you sent me under cover of your letter
dated the 29th November.

*Yours ever,
Martin*

(M.H.G.Rogers)

J.K.Starnes, Esq.,
Defence Liaison (2) Division,
Department of External Affairs,
247 East Block,
OTTAWA.

SECRET

001783

S E C R E T

CANADIAN JIC 423/2 (61)
1 November, 1961.

SINO-SOVIET ECONOMIC AND MILITARY RELATIONS

COPY No. 40

OBJECT

1. The object of this paper is to review the main factors affecting the Sino-Soviet economic and military relations, to discuss their recent developments and to consider in general terms their possible evolution.

CONCLUSIONS

2. Although there is little evidence that Sino-Soviet economic relations have improved greatly since the fall of 1960, trade continues on a reduced scale and there is a large measure of business as usual. In the longer term, the Chinese government will probably seek to reduce its dependence on Sino-Soviet trade.

3. The limited nature of Soviet aid and the little that has been said about it, together with the obvious reluctance of the Soviet Government to provide modern strategic weapons suggest that there are continuing strains. Nevertheless, China is apparently to receive some Soviet aid in the coming years.

4. There is evidence that economic means are becoming increasingly important in the struggle for power between the two countries and that this trend will continue. This is now particularly apparent within the Sino-Soviet Bloc but may become increasingly evident throughout the underdeveloped world.

5. Although China is still receiving some military equipment and limited technical aid from the Soviet Union, this assistance has declined substantially during the past few years. Soviet military missions to China have been reduced or withdrawn and the Soviet Union is not providing the more sophisticated weapons and equipment nor the technological assistance which

S E C R E T

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S E C R E T

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enable Communist China to meet its own requirements.

6. There is evidence that the Soviet Union assisted Communist China up to about mid-1960 in establishing a guided missile test range. Although the full extent of Soviet assistance is not known it seems clear that there has been at least sufficient assistance to enable Communist China to launch their own guided missile research and development programme with surface-to-surface weapons of up to 150 n.m. range. There is no evidence that the Soviet Union has supplied Communist China with surface-to-air, air-to-air, or air-to-surface missiles.

DISCUSSION

Sino-Soviet Economic Relations

Introduction

7. Economic affairs, perhaps more than any other aspect of Sino-Soviet relations, reveal the dimensions of the political dispute between the two countries. The price which China is prepared to pay for its waywardness, the severity of the sanctions which the Soviet Union is willing to impose and the extent to which considerations of economic gain overcome ideological qualms all provide some gauge of the limits of the quarrel. Sino-Soviet trade, Soviet economic aid to China and Sino-Soviet economic aid to both communist and non-communist underdeveloped countries are the three categories of economic activity which are most illuminating in this connection.

Sino-Soviet Trade

8. It may be that in a later perspective 1959 will appear as a peak year in Sino-Soviet economic cooperation and as a turning point in economic relations between the two countries. In that year China, by overtaking East Germany, became the leading trading partner of the Soviet Union. It registered an increase of 50 percent in imports of Soviet origin and increased its exports to the Soviet Union by 23 percent. Sino-Soviet trade totalled 2 billion dollars or about 50 percent of all China's foreign trade. The Soviet Union shipped 600 million dollars in machinery alone to China and the year as a whole seemed to presage increasingly close Sino-Soviet economic cooperation. This being so, the subsequent deterioration and loosening of economic ties has been all the more striking.

9. Chinese trade with the Soviet Union declined in 1960 and will almost certainly decline further in 1961. The reasons for this trend were initially economic but its continuation has some political overtones. By the middle of 1960 it was apparent that the Chinese were encountering serious

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difficulties in agriculture, as well as in some sectors of industry, and that they were unable to meet their export commitments to the Soviet Union. Since the Soviet Union was unable or unwilling to meet even part of China's requirements for grain the Chinese Government was obliged to make large purchases from non-communist countries and to assign a large part of its future export earnings to this purpose. Also; it is now known that the Chinese accumulated a deficit of 320 million dollars in their balance of payments with the Soviet Union, and partly as a result of the disruption in the Chinese economy, they were obliged to delay the conclusion of a new Sino-Soviet trade protocol for 1961 until April of that year.

10. This agreement, which was finally signed on 7 April, after protracted negotiations, demonstrated the extent of the changes which had taken place since 1959. The Soviet Union recognised Chinese difficulties by allowing the Chinese Government to make interest-free repayment of its deficit over a period of five years beginning in 1962 and by agreeing to deliver to China 500,000 tons of sugar on interest-free, deferred payment terms, but the list of commodities to be exchanged was curtailed and no indication was given of the expected level of trade. In particular, there was no mention of the export of Chinese foodstuffs or raw cotton to the Soviet Union, although in previous years these had made up over 25 percent of Chinese exports.

11. The terms of the agreement, although practical and businesslike, hardly suggested a major Soviet effort to assist its largest ally. The funding of the Chinese short-term debt may well have been, from the Soviet point of view, a virtue growing out of necessity; the loan of sugar was paltry by comparison with both Chinese overall economic requirements and Soviet aid to other nations. Nevertheless, the agreement at least showed a determination to continue orderly business, albeit on a reduced scale, and at most it suggested that there had been some improvement in Sino-Soviet relations since the fall of 1960. Although Sino-Soviet trade will probably decline in 1961, both absolutely and in relation to China's trade with the West, the value of maintaining this tie apparently outweighed the bitter ideological issues which separate the two countries politically. While some overtones of these deeper issues were apparent in the communique announcing the agreement, its general objective was clearly a large measure of business as usual.

12. It is doubtful, however, whether even a major improvement in the Chinese economic situation or a political rapprochement would result in a reversion to previous patterns of trade. The Chinese, who have shown some reluctance in the past to commit themselves to excessive dependence on Soviet economic support, are likely to take their recent experiences as evidence of the wisdom of a more balanced distribution of their trade. If they are able to expand their exports to the non-Communist world and to obtain suitable credit facilities, they will probably seek to lessen their dependence on the Bloc, and particularly the Soviet Union, in the longer term.

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Soviet Economic Aid to China

13. While the agreement on trade showed a determination to retain some degree of business as usual, later Sino-Soviet agreements on aid and technical cooperation have revealed with equal clarity the rather narrow limits within which Sino-Soviet economic ties must develop. The communiqués describing the agreements on economic, scientific and technical cooperation, which were signed in Moscow on 19 June 1961, were curt and contained no hint of new large-scale economic aid for China. While it is possible that such aid was in fact promised, the absence of the usual propaganda fanfare makes this unlikely and it seems that Soviet assistance to China is to be restricted to the deferment of short-term debt and the loan of sugar as set out in the trade agreement, and to some unspecified assistance in the development of industry. This is all the more remarkable in the light of a later announcement of a Soviet credit of 500 million dollars to East Germany and the major Soviet contribution to Indian development plans. It is nevertheless consonant with the history of Soviet aid to China over the past decade.

14. Soviet economic credits and grants to China have amounted to only about 500 million dollars, a surprisingly small amount in view of the size and importance of the country. This figure does not include military aid. Several satellite countries, and even neutralist India, have received more. Although the Chinese have frequently boasted of their ability to pay their own way, there have been some indications that they feel that they have been neglected and that they particularly resent the granting of large Soviet credits to influential, neutralist countries such as India. They also are probably annoyed by the restriction of Soviet aid in particular fields; so far, for example, they have received no modern jet bombers although these have been provided to Indonesia. The precise balance between this kind of resentment and the desire to avoid too great a dependence on the Soviet Union is difficult to determine and is doubtless confused in the minds of the Chinese. In any event, the greater part of Soviet support to the Chinese industrial development programme has been in the form of machinery provided in the course of normal trade or technical assistance in the establishment of new plants.

15. It is now apparent that even this limited programme has been further curtailed and that since the middle of 1960 the Soviet Union has withdrawn most of its technicians from China. This move seems to have been an expression of the bitterness of the Sino-Soviet dispute rather than a serious attempt to bring the Chinese to heel. There is no evidence to suggest that the Soviet Government applied any other economic sanctions and, although it has not been generous in assisting the Chinese, it has not taken maximum advantage of the weak Chinese economic position to attempt to force major concessions. There is evidence that the general attitude of the Chinese toward Soviet technicians was resented and this, together with alleged Chinese attempts to indoctrinate Soviet personnel with unorthodox ideas, was used at least in part as a pretext for their withdrawal. Nevertheless, it also seems clear that this action was partly intended to demonstrate to the Chinese that they could not simultaneously enjoy Soviet assistance and the right to challenge the leadership of Moscow. But the Soviet Government, perhaps with the example of Yugoslavia in mind, seems to have decided against full-scale

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economic sanctions. The impact of the removal of the technicians on the Chinese economy has so far not been serious enough to overcome Chinese xenophobia and to oblige the Chinese government to seek technical assistance elsewhere.

16. In spite of its limited nature however the Soviet economic aid programme in China remains of considerable importance to the Chinese economy and it will probably continue to be an important element in Sino-Soviet relations. In particular, assistance with the provision of a broad industrial base, with the Soviet Union supplying both skilled technical personnel and some complete plants has been an essential ingredient in China's progress over the last ten years. While not massive, this aid has been apportioned to industries such as steel, electric power and petroleum, all vital to the country's economic progress and incapable of making such strikes as they have on their own. To maintain that progress without a loss of momentum, continued aid would be necessary for some years. In addition to these bases of her industry, China is still dependent on external sources for certain types of electronic equipment, for machine tools and for components and technological assistance in her defence industries. The duration of this dependence is difficult to predict and would vary with different industries, but it is probable that in some critical areas, where loss of aid would cause a severe drag on economic progress, it will continue beyond 1965 and in some less crucial sectors for an even longer period. The current retrenchment in Chinese industrial planning is largely the result of domestic economic difficulties but its severity and duration will depend in part upon the continuation of Soviet aid. The present signs are that this aid will continue but partly because of the cutback in Chinese industrial plans, it may well be smaller than in previous years.

Sino-Soviet Aid to the Underdeveloped Countries

17. It is clear that the Soviet Union and China are struggling for influence in the Asian communist satellites and, more recently, even in Eastern Europe and it is in these areas that their conflict is most striking. The scale of Soviet aid to North Korea, North Vietnam and Mongolia seems quite out of proportion to the intrinsic importance of these countries and can only be related to a Soviet determination to maintain its influence in these areas. In spite of its economic difficulties China has made a major effort to compete with the Soviet Union, presumably in order to place these states in a Chinese sphere of influence. Even more striking, China has directly challenged Moscow's leadership in Europe by extending an economic development credit valued at 125 million dollars to Albania. In view of its alignment with China in the Sino-Soviet dispute, Albania has turned to China for the majority of its aid, thus making itself less vulnerable to Soviet pressure. The announcement of this agreement in the middle of the recent Sino-Soviet talks on economic relations can hardly have disposed the Soviet Government more favourably toward the idea of providing more aid to China. That this kind of competition persists in spite of the disparity in the economic power of the two countries suggests the possibility of even more bitter economic struggle as the Chinese economy grows.

18. With regard to the non-communist world, there is a basic difference of view between the Soviet and Chinese régimes as to the best method of acquiring power in underdeveloped countries

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and this ~~had~~ led to some Chinese criticism of Soviet foreign aid policies. The Chinese believe that in these areas indigenous communists must be encouraged to seize power at the earliest possible stage. The Russians assume that evolution towards communism is virtually inevitable but, since this trend could be prejudiced by precipitate Sino-Soviet action, the political takeover by communists in particular countries can and should be delayed until it follows in the natural course of events after a long period of economic and political penetration. Thus for the Chinese the important thing is aid to indigenous communists and the encouragement of revolt, but for the Russians massive and prolonged aid, even to bourgeois régimes, is the essential feature of communist strategy.

19. Such divergent concepts might be expected to produce vastly different foreign aid programmes but in fact the differences are more apparent than real. Generally speaking the Chinese have been more active in the support of dissident groups such as the UPC in Cameroun and the FLN in Algeria, but the Soviet Union has also shown its readiness to take forceful and effective action to support Communist dissidents where there has been a prospect of important gains, as for example in Laos. Conversely, the Chinese have extended large credits to neutralist countries such as Burma and to extremely reactionary régimes such as that in Yemen.

20. In view of this general similarity between the two aid programmes it seems reasonable to conclude that Chinese objections to Soviet aid activities are closely related to specific Chinese interests and objectives, rather than to any doctrinaire concept of the nature of world revolution. Specifically, Chinese criticisms of Soviet aid to India and the UAR probably arise from the fact that these neutralist countries are the major competitors of the Chinese for influence in the Afro-Asian world, although Chinese disapproval may well be reinforced by a consciousness of her own needs. This view receives some support from China's policy of distributing more than half her foreign aid in neighbouring Asian countries where the nature of the governments does not seem to have been an important consideration in the Chinese mind.

21. Thus, although the different Soviet and Chinese concepts of communist strategy in the non-Communist world produce some differences in the emphasis and balance of their aid programmes, there does not seem to be an important conflict between the two states in this field. As long as neither country pushes its disagreement to the point of obstructing the other's efforts the two aid programmes will tend to complement one another.

22. Nevertheless, the fundamentally different concepts of the two régimes lead to some difference in practice, for example in Iraq and Latin America. This will remain a potential source of friction and as China becomes economically more powerful the opportunities for serious conflict and competition will increase.

23. Any assessment of the current state of Sino-Soviet economic relations must in the light of the foregoing, attempt the following:

- (a) to distinguish between the effects of current Chinese economic difficulties and the effects of Sino-Soviet political and ideological differences;

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- (b) to balance the influence of China's need for assistance and its resentment of Soviet parsimony against its desire for economic and political independence; and
- (c) to weigh the wish of the Soviet Government not to disrupt the alliance completely against the temptation it must feel to use its economic power to bring the Chinese into line.

24. Obviously, all these factors and other interact in a very complex way so that any forecast has a larger than usual element of guesswork. The Chinese dilemma is to continue rapid economic progress without accepting Moscow's political hegemony. The Soviet Union must attempt to retain its leadership and exercise its power without splitting the alliance. In this situation there is a measure of economic interdependence which neither state is anxious to disavow but for the immediate future it seems that Sino-Soviet economic cooperation warrants no more enthusiastic description than "satisfactory", even from the Communists themselves.

Sino-Soviet Military Relations

25. Sino-Soviet military cooperation which, up to 1956, had been one of the principal features of Sino-Soviet collaboration began to deteriorate in 1957 when the Russians are thought to have revealed to the Chinese their intention not to give them nuclear weapons. Although Soviet support in the military field has enabled China to become the leading indigenous power in Asia the Chinese probably feel that their prestige and their bargaining power vis-à-vis the United States could be greatly increased if more Soviet assistance were forthcoming, particularly with strategic weapons systems. China, although able to produce some of its military equipment, continues to be heavily dependent on the Soviet Union as a source of modern arms and equipment. In particular it would be dependent on the Soviet Union for the supply of nuclear weapons and their means of delivery.

Nuclear Energy

26. In the nuclear energy field, although we know that the Russians have given some assistance to the Chinese we do not know the full extent and nature of the Sino-Soviet nuclear information exchange. The Russians have helped the Chinese since 1950 to mine their uranium resources. They are thought to have provided plans for a uranium metal plant and have given the Chinese a 10 MW reactor as well as 25 Mev cyclotron. Soviet nuclear scientists have lectured in China and approximately 400 Chinese students attended nuclear courses in Soviet universities. Soviet technology helped the Chinese establish a basic industry which will provide some of the raw materials for a nuclear programme, e.g., stainless steel, and uranium in different forms. We believe that China is now in a position to pursue her nuclear energy programme alone. In a few years, possibly three or four, China will probably have detonated nuclear devices and entered upon the production of nuclear weapons. Her complete dependence on the Soviet Union in this vital area will have been considerably reduced.

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Guided Missiles

27. There is evidence that the Soviet Union assisted Communist China up to about mid-1960 in establishing a guided missile test range. The rangehead is believed to be located in north central China near Chuang-Cheng Tze with the range itself extending westward for at least 450 n.ms. and possibly as much as 1000 n.ms. Firings have taken place on this range, possibly in early 1960. The missiles which were probably surface-to-surface, are reported to have been fired to ranges of about 100 n.ms. Those fired to date have probably been Soviet supplied "Scuds", estimated to have a maximum range of 150 n.ms.

28. Although the full extent of Soviet assistance is not known it seems clear that there has been at least sufficient assistance to enable Communist China to launch their own guided missile research and development programme. It is improbable that the Soviet Union will supply missiles of any greater range than "Scud" to Communist China and it will probably be some 3 or 4 years before they will be able to develop their own. There is no evidence that the Soviet Union has supplied Communist China with surface-to-air, air-to-air, or air-to-surface missiles.

Aircraft

29. It is apparent that the Russians are not providing the offensive aircraft which the Chinese probably believe they require. However, they have been fairly generous in the air defence field, though considerably less so than would be expected in a friendly contiguous country. Reluctance to provide the Chinese with either the most modern aircraft and missiles or the technological assistance to produce them herself suggests that the USSR is attempting to control any possible Chinese aggressive tendencies in South East Asia by restricting her military air potential.

Naval Forces

30. There has been a marked decline in Soviet naval assistance during the past year. This decline may in fact be the reason for the substantial reduction noted in Chinese naval shipbuilding. However, it is believed the Chinese Government is now capable of continuing conventional naval building programmes unassisted but at a reduced rate.

Ground Forces

31. In February 1950 the Chinese Communists entered into a 30-year "Treaty of Friendship, Alliance and Mutual Assistance" with the Soviet Union, and by early March major contingents of the Soviet advisory missions began arriving in China.

32. The first ten years of alliance between China and Russia have brought considerable advantages to both countries. However, there have been some recent indications that Soviet military missions to China are being reduced or withdrawn. These changes can be attributed in part to the friction which exists between the two countries and also to the fact that the Soviet missions may have for the time being fulfilled their functions.

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33. As a result of experience in Korea which revealed the logistical and tactical weaknesses of the Chinese "human sea" type of warfare, the Communists undertook a new programme with advisory missions and modern equipment from the Soviet Union, which reached its climax in 1953 and which had as its objective the formation of a well-equipped and a well-balanced army of younger, more physically fit and more politically reliable men. As the CCA had been essentially an infantry force, the new organization called for the creation of support elements such as infantry, armoured, engineer and signal units. These new organizations were formed around cadres provided by existing units and the Soviet Union furnished some of the instructors and most of the equipment from Second World War stocks.

34. Up to now the bulk of the weapons of the CCA has been of Soviet manufacture but the Chinese are now manufacturing an increasing quantity and variety of weapons themselves. They now make their own small arms, mortars, artillery, tanks and trucks. In the past, older Soviet designs have been copied and it seems probable that Chinese armament production will ultimately standardize on Soviet designed weapons. Some of the newer more complex conventional weapons continue to be imported from the USSR, but others, notably the T54 tank and the 152mm gun are now being produced in Chinese factories which previously manufactured older weapons. If the Chinese require additional conventional weapons these would be supplied from existing obsolescent or obsolete Soviet stocks.

Air Forces

35. The Chinese Communist Air Force (CCAF) and the Chinese Communist Naval Air Force (CCNAF) consist of about 2,700 aircraft, all of Russian design. With the exception of some FRESCO jet fighters produced in China, these aircraft were manufactured in the USSR. The two forces, originally organized and trained by the USSR, reached their present strength about 1958. Since that time, except for the possible delivery of a few FARMER jet fighters, there has been no apparent significant assistance from the Soviet Union and the strength of the CCAF and CCNAF has remained more or less static.

36. The following brief review of the various aircraft types on the CCAF and CCNAF order of battle illustrates their obsolescence and provides an indication of trends in military relations between China and the USSR.

37. Medium Bombers. China received approximately 20 BULL piston engine medium bombers in 1952-1953. Although this aircraft is now obsolete and was completely phased out of SAF service as a bomber over two years ago, it is still in operational use with the CCAF. To date, there has been no evidence that the Chinese have acquired a replacement for the worn-out BULLs. There has been speculation for some time that deliveries of BADGER jet medium bombers are impending or that their manufacture under licence by China is contemplated, however, neither possibility has materialized. Considering China's internal requirements, as well as her aspirations in South East Asia and her desire for recognition as a major power, it is logical to assume that she would wish to build up a strategic striking force and that BADGERs would be the choice for this purpose. The non-appearance of these aircraft in China,

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particularly in view of the recent deliveries to Indonesia, can be considered as either a result of, or as one of the causes of strained relations between the USSR and China.

38. Light Bombers - The strength of the Chinese light bomber force, some 450 BEAGLES and 150 BATs, has remained static for several years. Large numbers of obsolescent BEAGLES have become surplus to Soviet requirements as a result of the wholesale disbandment of the Tactical and Naval Aviation strike units, and it is obvious that the Russians could readily have replace China's piston engine BATs and increased her jet light bomber force.

39. Fighters. The Chinese have produced about 500 FRESCOs and are currently believed to be producing the more modern FARMER. Russian assistance in this field has been reasonably liberal, as the SAF itself is still equipped with large numbers of fighters inferior to the FARMER. However, here again, the USSR has agreed to supply Indonesia with new generation fighters, whereas there is as yet no indication that such aircraft will be supplied to China.

40. Radar - Although some of the newer, but not the newest, Soviet radars are being deployed in the more important areas of China, many of the EW/GCI radars used by the Chinese air surveillance and warning units are very old and inefficient. However, Soviet military assistance in this field is likely to continue and to improve as China is an essential link in the Soviet air defence system.

41. Training - CCAF and CCNAF air and ground training schools were originally formed and subsequently organized to a standard pattern with the assistance of Russian instructors. Russians were also attached to operational units for instructional duties. During the past few years, the number of Russian instructors in the schools and at operational bases has gradually declined to the point where the Chinese are now considered fully capable of conducting their own training programme.

42. Aircraft Production - China's aircraft industry has developed to the point where it is believed that a number of factories are capable of producing air frames, engines and components. Substantial technological and material assistance continues to be provided by the USSR, Poland, Czechoslovakia and East Germany. Although the Chinese aircraft industry is known to produce FRESCOs, AN-2s and HOUND Helicopters under licence and to be fulfilling 25% of the country's peacetime requirements, Soviet assistance has not involved the most modern developments and it will be many years before China is capable of producing on her own aircraft comparable to those in the West or in the USSR.

Actual Document

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JOINT INTELLIGENCE COMMITTEE

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CC 1374-1 (JIC)

12 Jan 62

Ottawa, Ontario

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MEMORANDUM FOR THE JIC:

SOVIET POL REQUIREMENTS

Reference: (a) CC 1374-1 (JIC) of 28 Nov 61
on the above subject.

JAN 15, 1962

Enclosure: (1) SHAPE 0940/17 of 20 Dec 61

When the draft reply at reference (a) was circulated for Secretarial clearance several members requested that they be advised of any further information on this question which resulted from the SHAPE enquiry.

2. The SHAPE document at enclosure (1) is therefore forwarded for the information of members.

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/lc

cc@ JIS (2)
SO/JIR
SO/CI

DL(2)/P. Brothier/CAS

Mr. Fournier,
European Division

CONFIDENTIAL

January 10, 1962.

Defence Liaison (2) Division

.... NATO Document AC/119-WP(61)70
and your draft Telegram S.546 of
December 28, 1961.

*- Attached is Memo
to Mr. Fournier*

Military Leaders and Soviet Foreign Policy.

50028-B-70
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The Joint Intelligence Committee considered the above mentioned NATO document and your draft telegram of comments thereon at its meeting of Wednesday, January 10.

2. The JIC has consistently maintained that the tense situation of last summer over Berlin was deliberately created by the communist powers and its development was carefully directed and concerted by the political leaders of the Soviet Union, with the East German and other political leaders in Eastern Europe, for primarily political reasons. Coordination with the Soviet military hierarchy would be natural in such circumstances, but not to the extent of giving the military greater leverage than in more tranquil times.

3. Concerning the Soviet decision to resume nuclear tests, the JIC has consistently been of the opinion that it was taken on its own merits and, as such, without relation to the Berlin crisis, although the element of terror inherent in the tests and especially the firing of a 50-megaton bomb were duly played up with a view to promoting Soviet political objectives in the Berlin crisis. Furthermore, the indications available to the JIC are that the decision

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CONFIDENTIAL

to resume nuclear tests was taken some months in advance and probably at the beginning of the summer (i.e., in June or early July). The JIC does not consider it likely, in view of the apparent high state of Soviet preparedness to conduct tests, that a powerful military lobby forced the decision to resume testing. It appears more likely that Khrushchov was well aware of the planning of tests and ordered at the appropriate moment that they commence and be completed in as short a time as possible.

4. You may also be interested in the following comments made by the JIC on specific paragraphs of the NATO document under reference:

- (a) Paragraph 2.- The KGB has certain effective methods of control over dissident officers and the KGB is not an army organ;
- (b) Paragraph 3.- Each item in this paragraph could be equally well used to illustrate the nice control which Khrushchov has over all tools, - military, diplomatic and propaganda, - in implementing his foreign policy.

5. To sum up, the JIC does not dispute the existence of a military lobby in the Soviet Union, but it does not agree that the tense situation of last summer and the resumption of nuclear tests provide valid indications of the power of that lobby or valid examples of opportunities used by the Soviet military to promote interests of their own.

John Starnes

J.K. Starnes,
Defence Liaison (2) Division.



DEPARTMENT OF NATIONAL DEFENCE

JOINT STAFF
JOINT PLANNING COMMITTEE

OTTAWA,

10 Jan 62

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ADDRESS REPLY TO
CHAIRMAN
CHIEFS OF STAFF,
OTTAWA

Joint Planning Committee

NATO Meteorological Meetings -
CUSRPG Representation

Forwarded is the recommendation made by the JPC Sub-Committee on Meteorological Services for Defence that a meteorologist stationed at NDHQ attend the Working Groups meetings of the Standing Group Meteorological Committee which will be held in Washington during the period 13-22 March 1962.

2. It is requested that comment or concurrence be forwarded to the Secretary on the requirement for a meteorologist stationed at NDHQ to attend as the CUSRPG representative.

(G. R. Wood) LDCR,
Secretary,
Joint Planning Committee.

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Atch.

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No. CSC 1723-1(MET)

Department of National Defence

JOINT STAFF

ADDRESS REPLY TO
CHAIRMAN
CHIEFS OF STAFF,
OTTAWA.

JPC SUB-COMMITTEE
on
METEOROLOGICAL SERVICES FOR DEFENCE

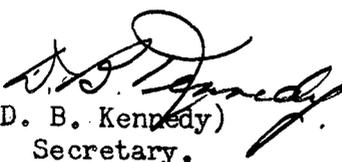
8 January 1962

Secretary,
Joint Planning Committee

NATO Meteorological Meetings -
CUSRPG Representation

1. The two technical Working Groups which report to the Standing Group Meteorological Committee will be meeting in Washington, consecutively, during the period 13-22 March 62. These working groups, which deal with Weather Plans and Weather Communications respectively, meet at approximately six-month intervals alternately in Europe and in North America. Membership in the working groups comprises meteorologists from the Standing Group nations and from the major commands and CUSRPG. It has been the practice in recent years for Canada to provide the representative of the Canada-US Region, to attend meetings of these working groups. Mr. D.B. Kennedy attended the most recent meetings of the working groups in London, in October 61.

2. The Sub-Committee on Meteorological Services for Defence recommends that Mr. W. F. Ganong, Director of Naval Weather Service, attend the 15th meetings of the NATO Working Groups on Weather Plans and Weather Communications in Washington, during the period 13-22 March 62, as the CUSRPG representative. It is considered advisable that Canada continue the practice of providing the CUSRPG representation at these meetings, thereby gaining an opportunity to participate in broad-scale NATO meteorological planning that would not otherwise be available to us. The Sub-Committee on Meteorological Services for Defence requests JPC approval for Mr. Ganong's attendance at the forthcoming meetings in Washington, as the CUSRPG representative.


(D. B. Kennedy)
Secretary.

See Bridge
Please return to file
after meeting

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JOINT INTELLIGENCE COMMITTEE

CSC 1797-4 (JIC)

8 Jan 62

Ottawa, Ontario

Jan 11

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MEMORANDUM FOR THE JIC:

MILITARY LEADERS AND SOVIET
FOREIGN POLICY

Enclosures: (1) ^{*}NATO Working Paper AC/119-WP(61)70
of 6 Dec 61

(2) Draft External Msg S-546

The documents at enclosures (1) and (2) were forwarded by the Chairman who has requested the opinion of members on the draft reply to NATO Paris in the light of the analysis contained in document AC/119-WP(61)70.

2. This item will be considered under "Other Business" at the meeting to be held on 10 Jan 62.

E.A. Bleis

(E.A. Bleis)
Major,
Secretary.

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Encs.

EAB/2-5459/1c

cc: Mr. J.K. Starnes,
Dept. of External Affairs.

CJS
JIS (2)
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(no enclosure)
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JAN 11

** Attached to Mr. Justice's memo of Jan 10
to Mr. Fournier re: Military Leaders and
Soviet Foreign Policy*

Jimm

[Large signature]

Jgk

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(Enclosure ~~SECRET~~)
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JOINT INTELLIGENCE COMMITTEE

CSC 7-17 (JIC)
CSC 1824-1 (JIC)

4 January, 1962.

Ottawa, Ontario

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MEMORANDUM FOR THE JIC:

MARSHAL MALINOVSKY'S SPEECH TO
THE 22ND CONGRESS OF THE CPSU

Reference: (a) CSC 7-17, CSC 1824-1 (JIC) of
1 Dec 61

Enclosure: (1) Canadian JIC comments on UK JIC *AN 8/1962*
(61)87 (Final) of 21 Nov 61 on the
above subject.

Enclosure (1) is forwarded for your information. *White*

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

cc: JIS (2)
SO/JIR
SO/CI
JICLO(L) (for your personal information only)

SECRET

CSC 7-17 (JIC)
CSC 1824-1 (JIC)

4 January, 1962.

Comments on UK JIC(61)87 (Final) of 21 Nov 61
"Marshal Malinovsky's Speech to the 22nd Congress
of the CPSU"

DMI: DMI considers that this UK paper is a very good survey and is of even greater value when read in conjunction with Malinovsky's article in the Red Star on the same subject.

DMI has no comments to offer on the UK paper itself.

DNI: DNI is in full agreement with the UK JIC's interpretation of Marshal Malinovsky's speech, and in particular, the naval aspects reported in para 9 agree with DNI's views expressed some weeks ago.

DAI: DAI is in general agreement with the UK JIC view of Marshal Malinovsky's speech. We consider that the Marshal's generalities were pronounced with malice aforethought in the hope that the West would infer a greater Soviet military capability than available evidence indicates. Analysis of the Marshal's words has revealed nothing to cause western intelligence agencies to revise current evaluations or estimates.

JIB: Para 2, third sentence

"In our reading of the Russian text we see no evidence of continuing controversy about the respective roles of conventional forces and "modern" weapons."

Para 6, line 6

"We believe that the sentence should read:

He said that missile production had so increased that there was now a surplus of the various types."

Para 10, first sentence

"The present sentence implies that electronic computers are used as a matter of normal practice to control service exercises. Malinovsky said however that new means for the control of troops, including electronic computers, were widely used in training."

XA, DSI, CB NRC, RCMP: No comments.

Circulated for information.

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(Unless otherwise classified)

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JOINT INTELLIGENCE COMMITTEE

Minutes of the 864th meeting of the Joint Intelligence Committee held in Room 4437 "A" Building, on Thursday, 4 January 62, at 0930 hours.

PRESENT

- Mr. J.K. Starnes,
Department of External Affairs.
- Capt. R.W. Murdoch,
Director of Naval Intelligence.
- Col. R.E. Hogarth,
Director of Military Intelligence.
- G/C L.C. Dilworth,
Director of Air Intelligence.
- Inspector D.E. McLaren,
Royal Canadian Mounted Police.
- Mr. I. Bowen,
Director, Joint Intelligence Bureau.
- Mr. L.G. Eoh,
Director of Scientific Intelligence.
- Mr. E.M. Drake,
Director, CB NRC.

Chairman

D-2

AB:

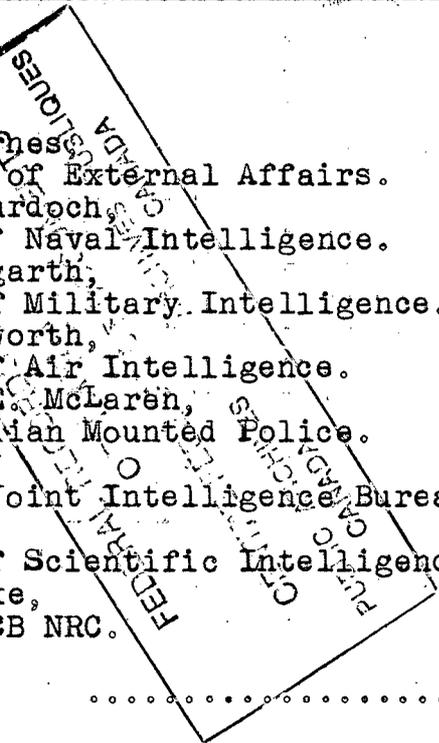
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SECRETARIAT

Maj. E.A. Blais,
Joint Staff.

ALSO PRESENT

- Col R.G. Kingstone,
Deputy Coordinator, Joint Staff.
- Lt Col R.M. Bourgeois,
Mr. E.A. Cureton,
Joint Intelligence Staff.
- S/L D.A.L. Bell,
Staff Officer, Current Intelligence.
- Maj. J.E. Steinbuckl,
Staff Officer, JIR
- Mr. P. Trottier,
Department of External Affairs.
- Mr. Martin Rogers,
Representing UK JIC

THESE MINUTES ARE TO BE SEEN BY CANADIAN OFFICIALS ONLY

864th meeting

SECRET

- 2 -

I. INTELLIGENCE BRIEFS (CONFIDENTIAL)

step
1. The Committee approved an intelligence brief which was distributed to members during the week ending 3 January, 1962.

ACTION: SOCI

II. JIC WEEKLY INTELLIGENCE REPORT (SECRET)

step
2. The Committee amended and approved JIC Weekly Intelligence Report No 1/62 for the period 28 December, 1961 - 3 January, 1962.

ACTION: SOCI

III. "WESTERN" EXERCISES SCHEDULED FOR JAN 62 (RESTRICTED)

step
3. The Committee noted a report of "Western" exercises scheduled for the month of January, 1962.

IV. RELEASE OF WEEKLY INTELLIGENCE REPORT (SECRET)

step
4. The Committee agreed that the following paragraph of WIR 1/62 should not be released to the Australian JIC.

Para 11 -(Final Version)- Congo.

ACTION: SOCI

V. CHIEFS OF STAFF COMMITTEE - INTELLIGENCE BRIEFING (RESTRICTED)

step
5. The Committee noted that there would not be a meeting of the Chiefs of Staff Committee on 4 Jan 62.

VI. CALL-OVER OF WORK IN ARREARS (CONFIDENTIAL)

6. The Committee noted the weekly review of contributions and comments in arrears.

(CSC 2-1-3-1 (JIC) of 3 Jan 62)

(a) Inspection Procedures - Soviet Bloc Ships

DNI requested and the Committee agreed to change the due date of this paper to 22 Jan 62.

804th meeting

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(b) Sino-Soviet Bloc Economic Activities in the Underdeveloped Areas

Mr. Bowen stated that as the first draft of this paper would be going to the EIC on 17 Jan 62 - the date for JIC consideration should be changed to 1 Feb 62. The Committee agreed to this proposal.

VII. MINUTES OF THE 863rd MEETING (RESTRICTED)

7. The Committee approved the Minutes of this meeting.

ACTION: Secretary

VIII. TRIPARTITE WORKING GROUP - AMM CONFERENCE HUNTSVILLE, ALABAMA, APR 1962 (CONFIDENTIAL)

8. The Committee considered a recommendation by the Chairman, GMIWG (S&T) on the composition of the Canadian delegation to the above noted Tripartite Working Group conference.

(CSC 6-2 (JIC) of 20 Dec 61)

9. The Committee:

(a) recommended that the Chairman Chiefs of Staff approve the following delegation:

GMIWG (S&T)		Mr	B.O. Baker,
			DRB (Leader)
DSI		Dr	R.S. Eaton
		Mr	G.E. Bousfield
JIB		Mr	C. Landon
CB NRC		Mr	D. Roach
DMI	ZF 2735	Maj	JEJ Caryi
DAI	11562A	Capt	A.C. Iaderos - USAF
	30720	S/L	R.E. Irwin - (Observer)
JS/DSS	ZD 3098	Maj	G.O. Brown

(b) instructed the Secretary to obtain the authority of the Chairman, Chiefs of Staff for Canadian representation at this conference.

ACTION: Secretary

IX. TRIPARTITE WORKING GROUP - ICBM and 2000 nm MISSILE CONFERENCE - OTTAWA, 26 FEB 62 (CONFIDENTIAL)

10. The Secretary tabled a report by the Secretary, GMIWG (S&T) with a draft agenda, on the progress

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of planning for the Tripartite Working Group conference on ICBM's and 2000 nm missiles to be held in Ottawa commencing 26 Feb 62. This report had been requested by the JIC at its 860th meeting on 13 Dec 61.

(CSC 6-2 JIC) of 4 Jan 62)

11. After discussion, the Committee:

- (a) noted the report by the Secretary, GMIWG (S&T) and draft agenda; and,
- (b) instructed the Secretary to obtain authority for necessary official entertainment funds.

ACTION:

Secretary

X. STANDING INSTRUCTIONS FOR CANADIAN SERVICE ATTACHES

(CONFIDENTIAL)

12. The Committee considered two recommendations from the Ad Hoc Committee which has been concerned with the preparation of Standing Instructions for Canadian Service Attaches, on certain proposals for amendments to Part V of these instructions.

(CSC 9-4-3 (JIC) of 29 Dec 61)

13. The Ad Hoc Committee recommended that:

- (a) service attaches continue to submit Monthly Intelligence Summaries and Annual Reports;
- (b) the method of reporting remain essentially unchanged but that a review of Parts II and V be made, prior to final printing of the Standing Instructions, with a view to clarifying the instructions therein.

14. After discussion the Committee:

- (a) approved the recommendations of the Ad Hoc Committee;
- (b) invited the Ad Hoc Committee to proceed with its proposed schedule for completion of amendments to the Standing Instructions;

864th meeting

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- (c) instructed the Secretary to thank Cdr Carnall for his constructive suggestions for amendments to the existing instructions.

ACTION:

DMI
Secretary

XI. GHANA - SOVIET MILITARY AID
AND BRITISH ARMY MISSION

(SECRET)

15. The Chairman introduced this item by stating that the message from the Canadian High Commissioner to Ghana on the reasons for the Ghanaian decision to refuse the British Army Mission and the likelihood of a Soviet training mission and military aid being accepted by Ghana in the near future, might form the basis of a reply to the British JIC who sought a Canadian JIC assessment of this development.

(CSC 1733-4 (JIC) of 3 Jan 62)

16. After discussion the Committee instructed the Secretary and Mr Trottier to forward a reply to the JICLO (L) in the light of the contents of the above noted message.

ACTION:

Mr Trottier
Secretary

XII. CANUS-62

(SECRET)

17. The Committee considered a memorandum from the Secretary which advised that the US Joint Chiefs of Staff had approved the draft CANUS-62 with one minor amendment to paragraph 2 which they had referred back to the USIB. The JIC was now asked to concur in this minor change.

(CSC 7-26-62 (JIC) of 3 Jan 62)

18. The Committee approved the proposed amendment and instructed the Estimates Staff to inform the JICLO (W).

ACTION:

Lt Col Bourgeois

864th meeting

SECRET

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XIII. ANNUAL REVIEW OF TRENDS IN SINO-SOVIET BLOC POLICIES

(SECRET)

19. Mr. Bowen stated that an important point to be considered in the preparation of the above paper is military shipments from the USSR to China. In this respect it has been noted that the Terms of Reference for the JIC Working Group on Traffic in Arms do not specifically cover the flow of arms from the USSR to China. He proposed that Soviet arms shipments to China are within the scope of responsibility of the Traffic in Arms Working Group.

(CSC 7-17-3 (JIC))

20. The Committee agreed to Mr. Bowen's proposal and invited the Chairman, JAWG to note this decision.

ACTION:

Chairman, JAWG
Secretary

XIV. SECRETARIAL REVIEW

(CONFIDENTIAL)

21. The Committee instructed the Secretary to discuss the following items with the British JIC Liaison Officer:

- (a) Intelligence briefs;
- (b) Ghana - Soviet military aid and the British Army Mission.

(CSC 1769-1 (JIC))

ACTION:

Secretary


(E.A. Blais)
Major
Secretary

EAB/2-5459/wb
4 January, 1962

DISTRIBUTION:

Next page

864th meeting

SECRET

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No.	34	JICLO (L)
No.	35	JS/DSS
No.	36	JIC File

DEPARTMENT OF EXTERNAL AFFAIRS, CANADA.

D.L.(2)/G.K. Grandes/zw
(FILE COPY)

NUMBERED LETTER

TO: The Canadian Embassy,
MOSCOW, U.S.S.R.

FROM: THE UNDER-SECRETARY OF STATE FOR
EXTERNAL AFFAIRS, OTTAWA, CANADA.

Reference: Your letter No. 545, June 6, 1961.
Subject: Soviet Missile Programme

Security: **S.E.C.R.E.T**

No: DS- /

Date: January 3, 1962.

Enclosures:

Air or Surface Mail: Air

Post File No:

Ottawa File No.	
50025-B-40	
55	60

References

I regret the delay in acknowledging your letter No. 545 of June 6, 1961, and in sending you the comments of our experts on the information given to Dr. Odgers.

2. Our missile specialists appreciate receiving reports of this kind from time to time as they believe that occasionally something important is revealed in this way. However, in this case our experts are of the opinion that the Russian scientist either was misleading intentionally or had seen and reported on something of which he had no understanding. Regarding the position of launch of Gagarin and Titov, we believe that the public reports made by the Soviet Government are far closer to the truth than the Russian scientist's version.

3. You will be interested to know that Dr. Odgers has already been interviewed in Ottawa and that it is the intention of J.I.B. to reinterrogate him in the very near future.

Internal Circulation

John Barnes

for Under Secretary of State
for External Affairs

Distribution to Posts

CONFIDENTIAL

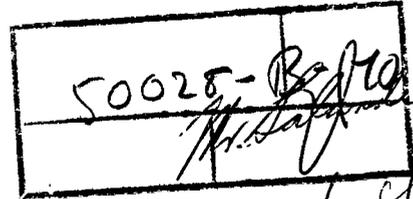
JIB BRIEF NO: 79

COPY NO: 3 OF 19

27 December 1961

INTELLIGENCE BRIEF

PREPARED FOR: J.I.C.
BY: J.I.B.
SUBJECT: The Soviet Annual Plan for 1962.
SOURCE: PRAVDA
DATELINE: December 1961.



1. The 1962 Plan for the USSR was presented by V. N. Novikov, Chairman of the State Planning Commission and approved on 9 December 1961. (Defence aspects have already been covered in JIB Brief No. 73, 11 December.)
2. Total gross national output is scheduled to increase by 26 billion roubles, while net national output (national income in Soviet terminology) is to rise above last year's level by 8.6 per cent, to approximately 170 billion roubles. This is a slightly lower growth rate than that planned for 1961 (9.0 per cent) but remains significantly higher than the 7.4 per cent per annum implicit in the Seven Year Plan targets.
3. Total gross industrial production is to rise by 8.1 per cent in 1962, while the growth rate for category "A" industry (mainly producer goods) is forecast at 8.8 per cent. No rate specifically for category "B" industry (mainly consumer goods) is given in the Plan, although a possible indication of its magnitude is a statement that, "as a whole, the output of consumer goods will increase by 6.6 per cent". It is not, of course, possible to be certain that the category "consumer goods" covers precisely the same items as group B. In 1961, the original planned rates of growth for gross industrial production and group A industry were 8.8 per cent and 9.5 per cent respectively, both figures somewhat higher than those in the 1962 Plan. Novikov noted, however, that the expected average annual rate of growth in total gross industrial output for the first four years of the Seven Year Plan is 9.6 per cent, which he called a "good" rate, especially since the 1962 target would, he said, "undoubtedly" be overfulfilled. On the basis of these statements, some tentative estimates of the absolute magnitude of industrial output in 1962 are possible. Total gross industrial output should amount to approximately 182 billion roubles, 125 billion in group A and 57 billion in group B, while total net industrial output is estimated at 85 to 90 billion roubles, all in terms of 1955 constant prices.
4. In the basic industries, no startling changes are planned. Steel output is to rise to 76.9 million tons, an increase 400,000 tons less than the previous year's. If steel output for the period 1962 to 1965 continues to rise at the annual rate projected for 1962, total output by the end of 1965 would be about 94 million tons, or 3 to 4 per cent greater than the upper limit of the 86 to 91 million tons range set out in the original control figures for the Seven Year Plan. If, however, steel production in 1963 and 1964 is projected at the absolute level of increase achieved in 1961, the planners could claim by the end of year 1964 that the Seven Year Plan goal has been fulfilled, since they might expect to achieve a total output of 89 million tons, the exact arithmetic mean of the originally forecast range. In any event, the trend bears out a statement made by Mr. Khrushchov last 6 January in a speech to a high level party gathering, when he announced that the development of ferrous metallurgy would not be carried on to the maximum possible limits, but would be adjusted in favour of accelerated development of agriculture.

CONFIDENTIAL
JIB BRIEF NO: 79
27 December 1961

- 2 -

and the light and food industries. More diversity of product is promised for steel products as well as a significant expansion in output of non-ferrous and rare metals.

5. Oil and gas production at 183 million tons and 74.8 billion cu. m. respectively, will continue to expand their share of the fuel balance at the expense of coal (518.1 million tons) and will constitute 45 per cent compared to 32 per cent in 1958. Cement output is to reach 57 million tons which represents a slight diminution in the growth rate and may be a reflection of current measures to curtail new construction starts as well as a normal levelling off. In the engineering industry, production is to rise by 12 per cent but the emphasis is to be on the manufacture of increasingly mechanized and automated equipment. Agricultural equipment output is to increase by 18 per cent.

6. In keeping with statements throughout 1961, greater emphasis is to be placed on consumer goods production, which is to increase by 6.6 per cent. Increases in quantity of such items as cloth, shoes, knitwear etc., are to be accompanied by qualitative changes in terms of assortment, style and materials. While Novikov made a general statement that output of the food industry was to rise, he cited few figures and those which were given, e.g. meat and vegetable oils, showed very slight changes.

7. Similarly, in agriculture, only a minimum of information was revealed. Nothing was said about expected gross output of either grain or livestock, although state procurement of both products is to rise, by 35 per cent in the case of grain and 10 per cent for cattle and fowl. Some indication of the reason for this silence may be derived from speeches by Mr. Khrushchov during and since the XXII Congress, when he has emphasized the necessity of bringing peas, fodder, beans and other legumes up to one-fifth of the grain acreage from their present level of less than one-twenty-fifth. Clearly, the fodder problem is still acute and is likely to remain that way and so, in consequence, are the meat shortages prevailing throughout the USSR. Plans to increase the maize crop have evidently misfired, and another expedient is now to be tried. It is very doubtful whether this new venture will do much to alleviate the agricultural difficulties of the USSR, even in the unlikely event that it is as successful as Mr. Khrushchov would wish. A real improvement can still only result from a massive switch of investment funds and a thorough overhaul of organization, neither of which are in prospect, at least in 1962.

8. It is planned to electrify more than 2,000 kilometres of railway lines in 1962, inclusive of final work on the Moscow-Caucasus and Moscow-Leningrad main lines. Some 7,000 kilometres of track are to be converted from steam to diesel operation. By the end of 1962, it is expected that 51,000 kilometres of track will be subject to electrical or diesel traction and that 61 per cent of ton-kilometres will be hauled by electric and diesel engines, compared with 26 per cent in 1958. Rail freight turnover is planned to increase by 4 per cent compared with 1961, sea transport by 25 per cent, pipeline by 19 per cent and air transport by 27 per cent.

9. As reported elsewhere (JIB Brief No. 75, December 1961), the growth of capital investment is to be reduced in 1962. New construction starts are to be curtailed until current projects are completed, especially those of special importance to the national plan. Total investment is projected at 30.6 billion roubles, a rise of only 8.1 per cent above the planned figure for 1961, compared with increases of 9.7 per cent in 1960 and over 10 per cent in 1959. As might be expected, investment in agriculture is to increase by 19 per cent over 1961 and the total planned investment of 3.139 billion roubles is roughly 1.0 billion in excess of the average annual figure implied in the Seven Year Plan. Equally predictable is the 33.5

CONFIDENTIAL
JIB BRIEF NO: 79
27 December 1961.

- 3 -

per cent increase projected for investment in light industry in 1962.

10. The number of state employees is to rise to a total of 68.66 million in 1962, 2.46 million over 1961, while the state wage fund is to increase by 6.5 per cent.

11. Residential housing totalling 95.6 million square metres is to be built in 1962, slightly above the annual average called for in the Seven Year Plan and, if achieved, probably the largest area built so far.

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OUR FILE REF. JIBS 213-2000-1
JIBS 100-2000-10-57



DEPARTMENT OF NATIONAL DEFENCE
DEFENCE RESEARCH BOARD

50028-B-40	
SECRET	55 50

OTTAWA, Ontario.
27 December, 1961.

The Under Secretary of State,
Department of External Affairs,
East Block,
OTTAWA, Ontario.

Attention: Mr. G.K. Grande
Defence Liaison (2) Division

Dear George:

In some mysterious way or other, the attached documents from Mr. Arnold Smith were introduced into the GMWIG Conference in June, 1961. Apparently Dr. Knight, DSI (London) took them home with him - in error - at the end of the Conference. The error was discovered and they were returned to JIB(O) in mid November.

From the distribution of the documents, I would think they belong to D.L. (2), and so I am returning them to you.

As I noted that Mr. Smith had asked for comments (para 3 of letter 545), before returning them to you I asked GMWIG (S.T) to comment. Below I have reproduced the comment which you may wish to use.

1. With reference to your JIBS 7-2000-1 of 5 December, 1961, the information given directly from Dr. Odgers' observations is of interest and a copy of the MA Moscow report dated 5 June, 1961, has been retained. Our missile specialists advise that the Russian scientist either was misleading intentionally or had seen and reported on something of which he had no understanding.

2. Regarding the position of launch of Gagarin and Titov, there is no doubt that the public reports made by the Soviet Government are far closer to the truth than the Russian scientist's version.

3. The efforts of the Department of External Affairs in providing such information are appreciated. It is conceivable that the occasional "gem" may be turned up by this method.

I may say that we have already published a rather unsatisfactory interview with Dr. Odgers - JIB/CAN/V-51/61, of 1 November, 1961. We intend to reinterrogate Dr. Odgers in the very near future, and hope to get fuller and better answers. You will, of course, receive copies of this report when it is completed.

Yours,

R.L. McGibbon,
Joint Intelligence Bureau.

DL(2)/P. Trottier/cmd

<u>CONFIDENTIAL</u>	
File:	50028-B-40
Ottawa,	December 18, 1961.

Your file: CSC 7-17(JIC)

Major E.A. Blais,
Secretary, Joint Intelligence Commission,
Department of National Defence,
Ottawa, Canada.

UK JIC(61)87(Final) 21 Nov 1961
Marshal Malinovsky's Speech to
the 22nd Congress of the CPSU

In reply to your letter of December 1
we wish to inform you that this Department has no
comments on UK JIC(61)87(Final) dated 21 November
1961 concerning "Marshal Malinovsky's Speech to the
22nd Congress of the CPSU.

(Sgd.) G. K. GRANDE

J.K. Starnes,
Defence Liaison (2) Division

UNCLASSIFIED
(Enclosure SECRET)



JOINT INTELLIGENCE COMMITTEE

995

CC 1374-1 (JIC)

15 December, 1961.

Ottawa, Ontario

DNI
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DAI
JIB (4)

50028-B-70	
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RAIL CAPACITY METHODOLOGY

Reference: (a) CC 1374-1 (JIC) of 7 Nov 61
on "Rolling Stock of Satellite
Railways"

Enclosure: (1) SHAPE 0470.1/17 of 1 Dec 61

Enclosure (1) is forwarded for the information of
addressees.

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E.A. Blais
(E.A. Blais)
Major,
Secretary.

DEC 18, 1961

Enc.

EAB/2-5459/1c

cc: J.K. Starne, Esq.,
Dept. of External Affairs.
DSI
RCMP
CB NRC
JIS (2)
SOJIR
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CONFIDENTIAL

**EXTRACTS FROM MINUTES OF 860th MEETING
OF THE JOINT INTELLIGENCE COMMITTEE HELD
ON DECEMBER 13, 1961**

50028-B-40	
55	✓

XV. ANNUAL REVIEW OF SOVIET BLOC ARMS TRAFFIC IN THE FREE WORLD AREA (CONFIDENTIAL)

27. The Committee considered a memorandum from the Secretary calling for the preparation of a paper on the above subject with a cut-off date of 1 Jan 62.

(CSC 7-17-3 (JIC) of 6 Dec 61)

28. The Committee agreed to the preparation of this paper with a cut-off date of 1 Jan 62 and noted that the Traffic in Arms Working Group would submit a first draft to reach the Secretary by approximately mid-January 1962.

ACTION: Chairman, JAWG
Secretary

CONFIDENTIAL

CONFIDENTIAL



JOINT INTELLIGENCE COMMITTEE

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CSC 7-17 (JIC)
CSC 1824-1 (JIC)

94

13 Dec 61.

Ottawa, Ontario

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MEMORANDUM FOR THE JIC:

MALINOVSKY'S SPEECH TO THE
22ND CONGRESS OF THE C.P.S.U.
DATED 21 NOV 61

Reference: (a) CSC 7-17, CSC 1824-1 (JIC)
dated 1 Dec 61 on the above
subject.

DEC 15 1961

Enclosure: (1) Corrigendum to UK JIC(61)87
(Final) dated 21 Nov 61.

Enclosure (1) is forwarded for your information.

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c



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CONFIDENTIAL

JOINT INTELLIGENCE COMMITTEE

CSC 7-17-3 (JIC)

6 Dec 61

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Ottawa, Ontario

MEMORANDUM FOR THE JIC

ANNUAL REVIEW OF SOVIET BLOC ARMS
TRAFFIC IN THE FREE WORLD AREA

D.2

*Spec - attach
copy*

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1. Serial 24 of the JIC Work Programme for 1961 calls for the preparation of a paper on the above subject with a cut-off date of 1 Jan 62.
2. The preparation of this paper will be considered at the meeting of the JIC to be held on 13 Dec 1961.

DEC 11 1961

[Handwritten signature]

E.A. Blais
(E.A. Blais)
Major
Secretary

EAB/2-5459/wb

cc: JIS (2)
SOJIR
SOCI

CSC 7-17 (JIC)



JOINT INTELLIGENCE COMMITTEE

CONFIDENTIAL
(Enclosure SECRET)

1 Dec 61

Ottawa, Ontario

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*Tom Lakeland -
Do you think
we should ask
Eun for comments?
h.d.z*

✓ J.K. Starnes, Esq.,
Dept. of External Affairs
DNI
DMI
DAI
DSI
JIB
CB NRC
RCMP

MARSHAL MALINOVSKY'S SPEECH
TO THE 22ND CONGRESS OF THE C.P.S.U.

Enclosure: (1) UK JIC(61) 87 (FINAL)
of 21 Nov 1961 on the
above subject.

Enclosure (1) is forwarded for the information of members. It would be appreciated if comments on this paper could be forwarded to the Secretary by 15 Dec 61.

2. Members may wish to read this document in the light of "An Evaluation of Malinovsky's Speech" which was prepared by the Research Department of the UK Foreign Office and circulated under the above file reference on 7 Nov 61.

*Mr. M. Blais
No since this is
basically military
and since
the responsible
desk officer
is already
hard-pressed
with work
H*

E.A. Blais
(E.A. Blais)
Major
Secretary

EAB/2-5459/wb

encl

cc: JIS
SOJIR (no enclosure)
SOCI (no enclosure)

*No comments
later*

CC 1374-1 (JIC)

ROUTINE

28

Z NOV 61

CCOS OTTAWA

ACNMR SHAPE

SECRET

JS

PARA ONE SHAPE MSG SH 31277 OF 7 NOV 61 ON SUBJECT OF SOVIET
POL SHORTAGES.

PARA TWO PLEASE INFORM SHAPE THAT THE JIC HAS NO DIRECT
EVIDENCE WHICH WOULD SUGGEST A MILITARY EXPLANATION
FOR THE REPORTED SHORTAGES.

PARA THREE IN THE JIC VIEW THE SOVIET UNION HAS ENOUGH CRUDE
PETROLEUM TO MEET ITS DOMESTIC NEEDS AND FOREIGN
COMMITMENTS. THE UNAVAILABILITY OF CERTAIN REFINED
PRODUCTS AT SOME PORTS COULD BE THE RESULT OF:

- (a) SOME INFLEXIBILITY OF PLANNING IN THE LIGHT
OF UNEXPECTED LOCAL INCREASES IN DEMAND.
- (b) MARGINAL SHORTFALL IN REFINERY CAPABILITY
IN SOME LOCATIONS.
- (c) DISTRIBUTION PROBLEMS RESULTING FROM SHORTAGE OF
PIPELINES, TANK CARS AND FROM THE DISRUPTION OF
RAIL TRAFFIC BY HEAVY HARVEST TRAFFIC.

(E.A. Blais) Major Sec JIC 2-5459

(R.C. Weston) A/C
for CCOS

50028-B-40
CSC 7-17 (JIC) 50



JOINT INTELLIGENCE COMMITTEE

290

CONFIDENTIAL

File
[Signature]

21 Nov 61

Ottawa, Ontario

MEMORANDUM FOR THE JIC:

Twenty-second Party Congress

Enclosure: (1) Embassy Moscow message 766 of
6 Nov 61

Enclosure (1) is forwarded for the information of
members.

[Signature]
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

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INFO EMBPARIS NATOPARIS PRIORITY

TT LDN WASHDC BONN PERMISNY BRU HAGUE FM PARIS

BAG PARGUE WARSAW BGRAD VIENNA FM LDN

XXII PARTY CONGRESS

DATED NOV4. DIGESTION AND ASSESSMENT OF MASS OF INFO WHICH HAS BECOME AVAILABLE FURING RECENT SOVIET PARTY CONGRESS WILL PROBABLY TAKE WEEKS OR MONTHS, BUT I WOULD LIKL TO SUBMIT CERTAIN GENERAL COMMENTS ON WHAT SEEM TO ME THE FIVE MOST STRIKING FEATURES OF THIS FACINATING CONGRESS. THESE FEATURES ARE (A) THE DEGRADATION OF STALIN; (B) THE FURTHER ATTACKS ON THE ANTI-PARTY GROUP; (C) THE WIDENED RIFT WITH ALBANIA AND CHINA, (D) THE FOREIGN POLICY ASPECTS INCLUDING CONFIRMATION AND FURTHER DEVELOPMENT OF THE DOCTRINE OF PEACEFUL COEXISTENCE; AND (E) THE PROGRAMME FOR INTERNAL DEVELOPMENT. THE FIRST FOUR FEATURES ARE ASPECTS OF A VIGOROUS ALL-OUT ATTACK ON WHAT KHRUSHCHEV CALLS CONSERVATIVE THINKING.

2. THE DEVELOPMENTS OF THIS CONGRESS ARE OF COURSE A LOGICAL CONTINUATION OF THOSE OF THE XX CONGRESS, BUT THEY CARRY THIS DEVELOPMENT SEVERAL SIGNIFICANT STEPS FURTHER. REMOVING STALIN'S BODY FROM ITS SHRINE IS VIVID AND PREGNANT SYMBOL OF CHANGE. IT WOULD I THINK BE GRAVE ERROR TO UNDERESTIMATE ITS POLITICAL AND PSYCHOLOGICAL SIGNIFICANCE.

3. I DO NOT RPT NOT AT ALL AGREE WITH THOSE WESTERN COMMENTATORS WHO HAVE SUGGESTED THAT KHRUSHCHEV HAS BEEN FACING SERIOUS DOMESTIC OPPOSITION FROM DOGMATIST RIVALS. ON THE CONTRARY I THINK MOST OF HIS RECENT MOVES, AT THIS CONGRESS AS ELSEWHERE, SHOW GREAT CONFIDENCE IN HIS STRENGTH. IN CERTAIN PARTICULARS HE MAY HAVE MISCALCULATED THROUGH OVERCONFIDENCE. FOR EXAMPLE MANY PEOPLE HERE BELIEVE (AND TIM BUCK CONFIRMED TO ME, THOUGH I AM NOT RPT NOT SURE HOW MUCH THIS IS WORTH) THAT THE SCOPE AND VIGOUR OF THE ATTACK ON THE ANTI-PARTY GROUP

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HAD BEEN MUCH GREATER THAN ORIGINALLY INTENDED AND WAS IN PART A RESPONSE TO MOLOTOVS CRITICISM OF THE PARTY PROGRAMME AS REVISIONIST, IN HIS LET JUST BEFORE THE CONGRESS TO THE CENTRAL CTTEE. KHRUSHCHEV AND HIS COLLEAGUES HAVE CLEARLY BEEN SENSITIVE TO THIS CHARGE OF HERESY AND HAVE TAKEN GREAT PAINS TO REBUT IT. IT IS CONCEIVABLE THAT KHRUSHCHEV THOUGHT MOLOTOV MIGHT DO SOME SORT OF SELF-CRITICISM OR APOLOGY, LIKE VOROSHILOV, OR MIGHT AT LEAST REMAIN QUIET, AND THAT HE HAD TO BE SLAPPED DOWN PARTICULARLY HARD IN VIEW OF HIS UNEXPECTED COUNTER ATTACK. PERHAPS ALSO KHRUSHCHEV HAD NOT RPT NOT EXPECTED CHOU EN-LAI TO DISSOCIATE HIMSELF PUBLICLY AT THE CONGRESS, WHERE KHRUSHCHEV WAS RIDING SO HIGH (SPACE, BOMBS, ELIMINATION OF RIVALS, NEW PROGRAMME, ETC), WITH THE CRITICISMS OF ALBANIA. IF CHOU EN-LAI HAD NOT RPT NOT CHALLENGED KHRUSHCHEV ON THIS ISSUE ALBANIA WOULD HAVE BEEN MORE ISOLATED: AS IT IS THE RUSSIAN-CHINESE RIFT IS PUBLICLY WIDENED.

4. WHETHER OR NOT RPT NOT KHRUSHCHEV DID MISCALCULATE ON THESE ISSUES THROUGH OVERCONFIDENCE, IT SEEMS CLEAR THAT HE CONSIDERS HIMSELF IN A POSITION OF GREAT STRENGTH. HE HAS AT THE MOMENT SEVERAL IMPORTANT AND INDEED RATHER CRITICAL BALLS IN PLAY. EACH OF THESE ISSUES HE HAS EITHER CREATED HIMSELF OR ACCEPTED THE RISK OF SHARPENING: THE BERLIN CRISIS, RELATIONS WITH ALBANIA AND CHINA, THE DETHRONEMENT OF STALIN AND VASTLY GREATER DISCLOSURES ABOUT PAST TYRANNY, THE WORLDWIDE UNPOPULARITY AND REVULSION CAUSED BY SOVIET BOMB TESTS, RECENT NOTE TO FINLAND. SOME OF THESE ISSUES ARE OF COURSE RELATED BUT THE DECISION TO GRAPPLE WITH THEM ALL MORE OR LESS SIMULTANEOUSLY DOES NOT RPT NOT ARGUE A SENSE OF WEAKNESS.

5. THE PUBLIC HUMILIATION OF STALINS BODY, AND THE VIRTUAL ADMISSION THAT FOR AT LEAST TWO DECADES THE SOVIET SYSTEM WAS CHARACTERIZED BY AN ARBITRARY AND VICIOUS TYRANNY WILL I THINK HAVE TREMENDOUS PSYCHOLOGICAL AND POLITICAL RESULTS BOTH WITHIN THE USSR AND AMONG OTHER COMMUNIST COUNTRIES, WHICH MAY TAKE A CONSIDERABLE TIME FULLY TO WORK THEMSELVES OUT. THIS MOVE WAS OF COURSE VERY CAUTIOUSLY PRE-

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PARED OVER A CONSIDERABLE PERIOD OF TIME. IT WAS BEGUN BY KHRUSHCHEVS FAMOUS SECRET SPEECH IN 1956. THERE HAVE BEEN A FEW FILMS AND NOVELS CRITICAL OF THE STALINIST SYSTEM. EVEN AT THIS CONGRESS IT WAS NOT RPT NOT UNTIL SECOND WEEK, FOLLOWING MIKOYANS EXAMPLE, THAT SPEAKERS GOT AROUND TO DIRECT ATTACKS ON STALIN. NEVERTHELESS THE REMOVAL OF STALINS BODY FROM THE RED SQUARE SHRINE HAS CLEARLY STUNNED THE SOVIET PUBLIC. AMONG OTHER THINGS IT HAS GIVEN RISE TO A FASCINATING OUTBREAK OF FREE SPEECH. ONE OF THE MOST STIMULATING PASTIMES OF RUSSIAN-SPEAKING DIPLOMATS AND FOREIGN CORRESPONDENTS IN THE PAST FEW DAYS HERE HAS BEEN TO MINGLE UNOBTUSIVELY WITH LITTLE GROUPS ANIMATEDLY DISCUSSING THE PROS AND CONS IN THE RED SQUARE, AND TO LISTEN TO THE ARGUMENTS BEING PUT FORTH ON EACH SIDE.

6. WITH MOST PEOPLE, BUT BY NO RPT NO MEANS ALL, THE MOVE SEEMS TO BE POPULAR. I THINK IT IS PARTICULARLY POPULAR WITH THE EDUCATED YOUNG PEOPLE, MANY OF WHOM WOULD LIKE THE PROCESS TO GO A GOOD BIT FURTHER. ON THE OTHER HAND THERE ARE MANY OPEN EXPRESSIONS OF DISAPPROVAL FROM PEOPLE WHO POINT OUT THAT STALIN TOO WAS FOR RUSSIA, THAT HE PULLED THEM THROUGH THE WAR, ETC.

7. I THINK KHRUSHCHEVS MOTIVE IN THE PUBLIC DEGRADATION OF STALIN HAS BEEN TO ENHANCE THE POPULARITY OF THE PARTY AMONG THE MASS OF THE PUBLIC, BY DISSOCIATING IT FROM THE CRIMES AND OPPRESSIONS OF THE PAST. RUSSIANS TELL ME THAT ANOTHER MOTIVE IS TO WARN AND REFORM, OR HELP GET RID OF, THE THOUSANDS OF QUOTE LITTLE STALINS UNQUOTE STILL IN POSITIONS OF AUTHORITY AS DISTRICT PARTY BOSSES, ETC, WHOSE ARBITRARY METHODS, ARROGANCE AND CONTEMPT FOR THEIR UNDERLINGS AND PUBLIC STIMULATES RESENTMENT. ANOTHER EXPRESSED MOTIVE, NOT RPT NOT UNCONNECTED WITH THIS, IS TO LIBERATE MORE ENERGIES WITHIN MASS OF THE PEOPLE AND TO STIMULATE INITIATIVE AND WILLINGNESS TO TAKE RESPONSIBILITY ON THE PART OF POTENTIAL INNOVATORS AT ALL LEVELS. I THINK THE MOVE MAY WELL HELP TO SERVE THESE THREE PURPOSES.

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8. BUT THERE MAY BE FURTHER RESULT AS WELL. MOVING STALINS BODY FROM ITS HONOURABLE RESTING PLACE IS QUITE A STEP. SO FAR AS I RECALL, SUCH A THING WAS NEVER DONE IN ENGLAND FOR BAD KINGS, NOR IN RUSSIA FOR BAD CZARS, THOUGH IT WAS NOT RPT NOT UNCOMMON TREATMENT OF DEFUNCT PHARAOKS. IT SEEMS TO IMPLY AN ADMISSION THAT STALINS INJUSTICES, TYRANNY AND ARBITRARY JUDICIAL MURDERS OR IMPRISONMENT OF THOUSANDS OF DECENT SOVIET PATRIOTS WERE NOT RPT NOT MERELY EXCESSES DURING LAST FEW YEARS OF AN OTHERWISE GREAT CONSTRUCTIVE RULER, BUT WERE RATHER CHARACTERISTIC OF AT LEAST THE SECOND AND THHIRD DECADES OF STALINS REGIME. I FIND IT HARD TO THINK THAT SO DRAMATIC A PUBLIC AND OFFICIAL ADMISSION WILL NOT RPT NOT PROVE, IN THE COURSE OF TIME, TO HAVE FORCED THE DEVELOPMENT OF MORE POLITICAL SOPHISTICATION AND MATURITY AMONG THE RUSSIAN AND OTHER SOVIET PEOPLES, BY ENCOURAGING REFLECTIONS ABOUT THE NATURE OF NONE-PARTY TOTALITARIAN RULE, AND SKEPTICISM ABOUT WHATEVER THE OFFICIAL PROPAGANDA LINE MAY BE FROM TIME TO TIME. IT WILL PROBABLY ALSO RAISE EXPECTATIONS, PERHAPS MORE THAN THE PRESENT LEADERS DESIRE. IT IS I SHOULD THINK BOUND TO ENCOURAGE DEMANDS FOR MORE LINERALIZATION, FREER DISCUSSION, LESS RIGID CONTROL OF THE ARTS, ETC. IT MAY ENCOURAGE DEMANDS IN NAME OF PARTY DEMOCRACY FOR TRULY SECRET VOTES AND ABOLITION OF PREARRANGED SLATES, THOUGH THIS MAY NOT RPT NOT BE ACHIEVED FOR YEARS. BUT CONGRESS VOTES WERE OF COURSE ALL UNANIMOUS THIS TIME AS IN THE PAST. MOREOVER THERE HAVE BEEN SIGNS DURING RECENT MONTHS THAT IT IS INTENDED TO TIGHTEN CONTROL OF THE ARTS, AND CONGRESS GAVE NO RPT NO HINT OF RELAXATION IN THIS REGARD. I SUSPECT HOWEVER THAT THE DEMAND FOR MORE PERSONAL AND INTELLECTUAL FREEDOM WILL HAVE GOT A VERY POWERFUL FILLIP AND THAT WHILE THE REGIME WILL OF COURSE BE ABLE TO KEEP THE SITUATION UNDER CONTROL I DOUBT THEY WILL BE ABLE TO MOVE EASILY OR PERMANENTLY AGAINST THIS DEMAND BY GOING IN THE OPPOSITE DIRECTION.

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9. I AM REMINDED OF REMARK MADE TO ME IN 1943 BY KAGNOVICH AT COM-WEALTH PARTY IN KUIBYSHEV WHEN WE HAD SHOWN CHARLES LAUGHTONS FILM QUOTE HENRY VIII UNQUOTE. KAVANOVICH COMMENTED THAT IT WAS VERY AMUSING FILM AND ADDED QUOTE BUT DO YOU THINK IT IS WISE TO MAKE FUN OF AUTHORITY UNQUOTE. I WOULD LOVE TO HEAR HIS COMMENTS NOW.

10. THE CENTURIES OLD RUSSIAN TRADITION OF CONSIDERING THE CZAR AS A FATHER FIGURE WITH HIS PEOPLES INTERESTS AT HEART, AND BLAMING INJUSTICES OR EXCESSES ON BAD ADVISORS AND EVIL OFFICIALS, WAS OF COURSE CARRIED ON INTO STALINS REGIME AMONG IMPORTANT SECTIONS OF THE PEOPLE. THIS NAIVE BUT COMFORTING ATTITUDE HAS BEEN JOLTED, AND THIS TOO MAY PROVE SALUTARY OVER THE COURSE OF TIME.

11. AS THE PUBLIC DIGEST THE LESSONS OF STALINS DEGRADATION, SOME OF THEM MAY IN THEIR THINKING EVOLVE BEYOND THE POINT WHICH THE PRESENT LEADERS INTEND, TO WONDER WHETHER THE NATURE OF THE POLITICAL SYSTEM ITSELF IS NOT RPT NOT RESPONSIBLE. MANY INTELLECTUALS AND CYNICS ARE I THINK BOUND TO DOUBT THAT KHRUSHCHEV, AS A SENIOR OFFICIAL UNDER STALIN, COULD HIMSELF HAVE HAD CLEAR HANDS. THE EXTENT OF THE PERSONAL ADULATION EXPRESSED DURING MOST OF THE CONGRESS FOR KHRUSHCHEV DID OBVIOUSLY SUGGEST TO MANY PEOPLE THAT A NEW CULT OF PERSONALITY WAS BEING DEVELOPED. WHETHER TO ANSWER THESE CRITICS, OR AS A RESULT OF PRESSURE FROM OTHER MEMBERS OF THE PRAESIDIUM AS SOME OBSERVERS HAVE SUGGESTED, SOME EFFORT SEEMS TO HAVE BEEN MADE BY KHRUSHCHEV AND OTHERS IN PAST FEW DAYS TO LIMIT THIS PERSONAL PRAISE OF THE SINGLE LEADER, AND TO EMPHASIZE THAT ALL OF THE PRAISEWORTHY DECISIONS WERE THE COLLECTIVE WORK OF THE PRAESIDIUM AND THE CENTRAL CTTEE AS A WHOLE.

12. THERE IS NO RPT NO SIGN YET THAT COMMUNIST PARTY MEMBERS, OR ARTICULATE SECTIONS OF THE RUSSIAN PEOPLE, ARE FACING UP TO THE GLARING DILEMMA BETWEEN THE PUBLIC ADMISSION OF THE TRUE NATURE OF STALINS REGIME AND THE TRADITIONAL COMMUNIST CLAIM, VIGOROUSLY

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REEMPHASIZED BY SPEAKERS AT THIS CONGRESS, THAT THE USSR HAS THE MOST ADVANCED SOCIAL AND POLITICAL SYSTEM IN THE WORLD, AND THAT USSR IS IN VANGUARD OF THE PROGRESS OF HUMANITY TOWARDS A BRIGHTER AND MORE MATURE FUTURE. BUT THE RUSSIAN PEOPLE ARE NOT RPT NOT STUPID AND THE FACT THAT THIS CONTRADICTION HAS BECOME SO PATENT SHOULD PROVE SALUTARY IN HELPING ALONG THE EVENTUAL MATURING AND MELLOWING OF RUSSIAN POLITICAL THOUGHT AND ATTITUDES ON WHICH THE EVENTUAL PROSPECTS FOR INTERNATIONAL COOPERATION MAY DEPEND.

13. THE RUSSIAN DETHRONEMENT OF STALIN SHOULD ALSO HAVE INTERESTING REPERCUSSIONS WITHIN THE BLOC. IT MAY WELL SHARPEN THE RIFT WITH CHINA AND ALBANIA, THOUGH I THINK WE CANNOT RPT NOT BE CERTAIN OF THIS. IN ANY CASE IT MAY ENCOURAGE REFORMIST ELEMENTS WITHIN THE PARTY IN SOME OF THE EUROPEAN SATELLITES. COMMUNIST PARTIES IN OTHER PARTS OF THE WORLD, TRADITIONALLY ADEPT AT SWALLOWING PRIDE AND IGNORING CONSISTENCY, MAY OR MAY NOT RPT NOT SUFFER FROM THE INTELLECTUAL DISCOMFITURE INVOLVED IN OFFICIAL RUSSIAN ADMISSION THAT MOST OF WHAT BOURGEOIS CRITICS HAD BEEN FOR YEARS PROCLAIMING ABOUT STALIN'S REGIME IS NO RPT NO MORE THAN THE RECEIVED TRUTH DECLARED EX CATHEDRA IN THE KREMLIN.

14. FROM THE DOMESTIC POINT OF VIEW THE DENUNCIATIONS OF THE ANTI-PARTY GROUP, WHICH HAVE BEEN CARRIED MUCH FURTHER THAN PREVIOUSLY, ARE PART AND PARCEL OF THE GENERAL EFFORT TO REMOVE VESTIGES OF WHICH HAVE BEEN CARRIED MUCH FURTHER THAN PREVIOUSLY, ARE PART AND PARCEL OF THE GENERAL EFFORT TO REMOVE VESTIGES OF CONSERVATIVE AND STALINIST METHODS OF THOUGHT AND BEHAVIOUR AT ALL LEVELS OF THE COUNTRY. AS I HAVE SAID BEFORE I DO NOT RPT NOT BELIEVE THAT KHRUSHCHEV HAS HAD TO WORRY ABOUT SERIOUS THREATS TO HIS SUPREMACY FROM SUPPORTERS OF MOLOTOV AND THE OTHERS. BUT HE HAS DOUBTLESS FELT HAMPERED BY THE DRAG ON PACE OF DEVELOPMENT IN DIRECTIONS WHICH HE SEEKS TO PURSUE, WHICH WHAT HE WOULD CALL THE OLD TYPE OF THINKING AND BEHAVIOUR HAVE INVOLVED. ALSO IMPLIED IN THESE ATTACKS IS I THINK A WARNING TO ANY ELEMENTS AMONG THE INDUSTRIAL AND TECHNICAL MANAGERIAL GROUPS, ON WHICH MALENKOV HAD SOUGHT TO RELY

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FOR SUPPORT, THAT THEY MUST ACCEPT THE SUBORDINATION OF ECONOMIC TO PARTY LEADERSHIP. A PARALLEL WARNING LEST MILITARY OFFICERS FEEL IRKED AT PARTY CONTROL AND TRY TO OBTAIN MORE PROFESSIONAL FREEDOM WITHIN THEIR OWN SPHERE, IS IMPLIED IN THE CRITICISM OF MARSHAL ZHUKOV AND THE ATTACKS ON HIM FOR ALLEGED BONAPARTISM.

15. AT THE CONGRESS A NUMBER OF SPEAKERS CALLED FOR ACTION TO MAKE MOLOTOV, KAGANOVICH, MALENKOV AND OTHER MEMBERS OF THE SO-CALLED ANTI-PARTY GROUP CRIMINALLY RESPONSIBLE. ON THE OTHER HAND KHRUSHCHEV SUGGESTED CLEMENCY IN PARTY FRAMEWORK AT LEAST FOR VOROSHILOV AND SUGGESTED THAT HE WOULD CONTINUE TO SERVE THE PARTY. IT SEEMS ALMOST CERTAIN THAT MOLOTOV AND SOME OF THE OTHERS WILL BE EXPELLED FROM THE PARTY. WHETHER OR NOT RPT NOT THEY WILL BE GIVEN CRIMINAL TRIALS REMAINS TO BE SEEN. THERE IS UNDOUBTEDLY MUCH DEMAND FOR THIS AMONG CERTAIN SECTIONS OF THE PUBLIC. ON THE OTHER HAND MANY PEOPLE ARE AWARE THAT CRIMINAL PROCEEDINGS MIGHT TEND TO PUSH DISCLOSURES AND PROSECUTIONS VERY MUCH FURTHER AND TO IMPLICATE CONSIDERABLE NUMBERS OF JUNIOR OFFICIALS WHO WERE INVOLVED DURING STALIN'S PERIODS IN PURGES OF SCORES OF THOUSANDS AND IN OTHER QUOTE IRREGULARITIES UNQUOTE. THERE WILL THEREFORE BE RELUCTANCE IN SOME QUARTERS TO PUSH THE ATTACKS ON THE ANTI-PARTY GROUP BEYOND PARTY CHANNELS INTO THE COURTS. I DOUBT WHETHER ANY DECISION ON THIS MATTER HAS YET BEEN TAKEN. INCIDENTALLY TIM BUCK TOLD ME THAT HE PERSONALLY HOPED THERE WOULD NOT RPT NOT BE CRIMINAL PROSECUTIONS OF THE ANTI-PARTY GROUP, CHEIFLY ON THE GROUND THAT WITCH HUNTS WERE UNPLEASANT AND WOULD TEND TO WEAKEN THE SOCIAL AND POLITICAL FABRIC AND PROVE GENERALLY DISRUPTIVE. BUCK SAID HE HAD BEEN ASTONISHED AT DEPTH AND EXTENT OF ANTI-STALIN FEELING SHOWN BY DELS AT CONGRESS.

16. BUT ONE VERY IMPORTANT ASPECT OF THE DENUNCIATIONS OF THE ANTI-

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PARTY GROUP IS, AS MYTEL 731 OCT25 SUGGESTED, ITS USE ALONG WITH ATTACKS ON ALBANIA AS AN OBLIQUE METHOD OF CRITICIZING THE LEADERSHIP IN CHINA. THESE ATTACKS SHOULD BE UNDERSTOOD IN LIGHT OF OLD SLAV PROVERB THAT YOU BEAT YOUR CAT TO WARN YOUR WIFE.

17. KHRUSHCHEV'S STATEMENT TO THE CONGRESS THAT CHINESE COMMUNIST PARTY WAS IN THE BEST POSITION TO BRING ABOUT RAPPROCHEMENT BETWEEN ALBANIA AND THE USSR COULD BE INTERPRETED AS AN INVITATION, BUT IT COULD ALSO BE INTERPRETED AS A CAUSTIC REBUTTAL OF CHOU EN-LAIS EARLIER CRITICISM OF KHRUSHCHEV FOR BRINGING THE RIFT WITH ALBANIA INTO THE OPEN. IN ANY CASE KHRUSHCHEV WENT ON TO LAY DOWN A VERY HIGH PRICE FOR A MOSCOW TIRANA RAPPROCHEMENT, BY ASSERTING THAT THE ALBANIAN PEOPLE WOULD WANT TO RID THEMSELVES OF HOXHA AND THE PRESENT ALBANIAN PARTY LEADERSHIP. THE VAUNTED MONOLITHIC UNITY OF THE COMMUNIST BLOC HAS THEREFORE AT THIS CONGRESS SUFFERED AN IMPORTANT FURTHER, AND OPEN, BLOW.

18. IN A SEPARATE MSG I SHALL BE COMMENTING ON FOREIGN POLICY IMPLICATIONS OF THE CONGRESS PROCEEDINGS

ARNOLD SMITH



Department of National Defence

JIR 19-12

JOINT INTELLIGENCE COMMITTEE

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17 November 1961.

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Soviet Service Exercises - 1960

Enclosure (1) UK JIC (61) 13 (Final) of 2 November 1961 on the above subject.

1. Addressees are requested to forward their comments on the UK JIC paper at enclosure (1) to reach the Secretary by 11 December 1961.

2. It is regretted that insufficient copies of this document were received to permit distribution to all members. The file copy is available for scrutiny should other members so desire.

NOV 21 1961

E.A. Blais
(E.A. Blais) Major Secretary.

cc: Mr. J.K. Starnes
DSI
CBNRC
RCMP

CJS
JIS
SOCI
SOJIR

No enclosure

We are apparently not updated to comment on this - We have not even been sent the paper in question as it presumably is a subsidiary matter

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JOINT INTELLIGENCE COMMITTEE

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CSC 7-17 (JIC)

Ottawa, Ontario

17 Nov 61.

→ J.K. Starnes, Esq.
Dept. of External Affairs.

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THE APPLICATION OF SEAPOWER IN
WATERS ADJACENT TO CANADA

Enclosure (1) NSS 1480-146/37 dated 14
Nov 61.

NOV 20 1961

Reference (a) CSC 7-17 (JIC) dated 2
Nov 61 on the above subject.

1. Enclosure (1) is forwarded for the information
of members. Your attention is invited to paragraph 2
which suggests that certain passages be deleted de-
pending upon the "need-to-know" of the recipient.

E.A. Blais
(E.A. Blais)
Major
Secretary.

Encl:

EAB/2-5459/dh

cc: JIS (2)
SO/JIR
SO/CI

NSS 1480-146/37

14 November, 1961.

MEMORANDUM TO: Secretary JIC

COPY TO: Secretary Naval Staff.

THE APPLICATION OF SEAPOWER IN WATERS ADJACENT
TO CANADA

In order to make possible distribution of the above paper to any authorities who have an interest in the problems the paper presents, removal of certain details for which these authorities may have no "need-to-know" is recommended.

2. The excision of the following passages should be considered dependent upon the needs of the recipient:

- (a) Page 2 para 9 excise "of SOSUS arrays and"
- (b) Page 2 para 14 excise "the SOSUS"
- (c) Page 2 para 15 excise "SOSUS"
- (d) Page 3 para 18 excise "against the Strategic Air Command" and "SAC"
- (e) Page 3 para 21 excise "In order to provide the needle swings observed as the aircraft passed overhead".
- (f) Page 7 para 44 excise "nor to vessels which use extensive secret communication with home"
- (g) Appendix B para 2 excise entire paragraph
- (h) Appendix B page 4 para 21 excise "including Churchill for a quick tourist view of the military camp in order to pick their brains on northern matters.
- (i) Appendix B page 4 para 21 excise "a flurry of notes on reciprocity and a suggestion that Canada endeavour to obtain a trip to a Northern Outpost in Russia, appear on files"
- (j) Appendix B page 6 para 39 excise "which appears almost like a filler on advanced warning".

sgd by W.H. WILLSON
Cdr RCN

for

(R.W. Murdoch)
Captain RCN

DIRECTOR OF NAVAL INTELLIGENCE

DL(2)/R.M. Middleton/cmd

RESTRICTED

File: 50028-B-40

Ottawa, 9 November 15 1961

R.B. Curry, Esquire,
Director, Emergency Measures Organization,
Privy Council Office,
East Block,
Ottawa, Canada.

Dear Mr. Curry:

With our letter of June 7 we sent to you a UK paper concerning Soviet Civil Defence planning. Attached is a further and fuller paper on the same subject. It was originally prepared by JIB at the request of DMI for use of Major General (Survival) in connection with, we understand, a Cabinet briefing in the near future.

Yours sincerely,

(Sgd.) G. K. GRANDE

G.K. Grande.

Defence Liaison (2) Division.

DEPARTMENT OF EXTERNAL AFFAIRS

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INTELLIGENCE BRIEF

For: JOINT INTELLIGENCE COMMITTEE No: 16/61
Source: Departmental Despatches and Memoranda Date: November 14, 1961.
Subject: Twenty-Second Party Congress: Stalinism *50228-B-40*

The main issue at the Twenty-Second Party Congress was Stalinism within the Soviet Union and within the communist movement generally. Stalinism, or "adherence to the cult of personality of Stalin", means essentially opposition to the new policies which Khrushchov has introduced since 1955. The most important of these are, in foreign policy, a policy of peaceful co-existence; in relations with the bloc, a policy of improving relations with Yugoslavia; and in domestic affairs, a series of radical policies of which the most important are the reductions of the power of the police, the development of the Party as the main repository of power, and decentralization of much economic authority.

2. Many Communists in the Soviet Union and abroad object to these policies. Peaceful co-existence they think, undermines revolutionary fervour and leads to futile attempts at compromise with capitalism. Tolerating Yugoslav revisionism is especially dangerous, since it could lead to the abandonment of the principle of the necessity of revolution. These communists also doubt Khrushchov's new attitude towards the under-developed countries. In their view, to give aid to anti-communist bourgeois governments such as that of the UAR only defers revolution and makes it more difficult. Khrushchov's new domestic policies are also objected to on the grounds that they are either economically or politically dubious.

3. Khrushchov defends his new line in foreign policy by arguing that the balance of power in the world is tilting in the direction of socialism. To provoke a war at this stage would result in enormous losses to the communist cause. Since the victory of that cause is assured anyway, policies which might lead to war are senseless. In domestic affairs, Khrushchov argues that Stalin's neglect of agriculture and the need for money incentives, his highly centralized economic administration, his use of repressive methods to increase production, and his neglect of the Party apparatus had led the country into an economic and political dead end. Radical changes were therefore necessary.

4. The anti-party group, consisting of eight former powerful communists headed by G.M. Malenkov, opposed most of Khrushchov's new policies. Their reasons for doing so were, however, various. Malenkov opposed them because he was a contender with Khrushchov for power in the Soviet Union. It is doubtful if he objected to Khrushchov's policies as much as to Khrushchov himself. Molotov and Kaganovitch, having been devoted servants of Stalin since before the Revolution

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probably objected to Khrushchov's policies because they disagreed with them. Other members of the group were either supporters of Malenkov who hoped to find favour if he came into power, or were true "Stalinists" in the sense that they thought Stalin's methods and policies better than Khrushchov's.

5. The Chinese oppose most of Khrushchov's new foreign policies because they think, perhaps rightly, that they will defer indefinitely world revolution. Basing themselves on their own revolutionary experience, the Chinese think that revolution in many countries of the world should be started immediately with the human and material resources now available. The Chinese are particularly repelled by the Soviet rapprochement with Yugoslavia, because the Yugoslav variety of communism contends that revolution is not necessary at all.

6. In their view of Yugoslavia, the Chinese find a natural ally in Albania. Albania has sound national reasons as well as ideological ones for distrusting the Yugoslavs. It is a common view of Yugoslavia which has brought the Chinese and the Albanians into a "Stalinist" alliance opposing Khrushchov. The Chinese differences with Khrushchov are much more profound, and cover the whole range of his foreign and domestic policies. The Albanian differences with him are largely confined to the Yugoslav question. By attacking Albania as stalinist, therefore, Khrushchov has indirectly attacked the Chinese, with whom his quarrel is more serious. The Albanians, however, have given extreme provocation to Khrushchov, probably in part as a result of a clash of the personalities of Khrushchov and Hoxha.

7. There is probably no opposition to Khrushchov within the Soviet Union in the sense of a coherent group trying to seize power from him. The only likely contender for power is Malenkov himself, and Malenkov has not been seen or heard of for nearly five years. Moreover, Khrushchov has been careful to remove Malenkov's adherents from the Party and Government apparatus. There probably is, however, a large number of people in the Party apparatus who find themselves seriously disoriented by Khrushchov's denunciation of Stalin and who are incapable of dealing with Khrushchov's bold and original innovations. The old Stalinists, Molotov, Kaganovitch and Voroshilov, may have provided and may still provide a rallying point for this unorganized but nevertheless dangerous Stalinist opposition.

8. In the sense that he receives frequent and fulsome adulation in the Soviet Union, and that his name and picture are constantly in evidence, there is in existence now a cult of Khrushchov's personality. However, the phrase "cult of personality" as it is applied to Stalin means not only adulation - of which Stalin in his time received far more than Khrushchov now receives - but also insistence on the principle that the leader is the sole arbiter of all matters. Stalin took most decisions by himself without consulting his colleagues. There does not seem to be a cult of Khrushchov's

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personality in this more important sense. We have evidence that disagreement and argument in important matters of policy take place within the leadership and that Khrushchov does not always prevail. "Collective leadership" seems to be still a fact of life in the Soviet Union.

9. The Twenty-Second Party Congress might therefore be regarded as a continuation of the Twentieth, when Stalin was first denounced. It was an attempt to establish the course which the Soviet Union has followed since 1956 as the course which it will continue to follow in the future.

CSC 7-17 (JIC)
CSC 1145-1 (JIC)



JOINT INTELLIGENCE COMMITTEE

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9 November, 1961.
Ottawa, Ontario

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→ J.K. Starnes, Esq.,
Dept. of External Affairs.

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Spill

SINO-SOVIET RELATIONS

Reference: (a) CSC 7-17, CSC 1824-1 (JIC) of 28 Aug 61 "The 1960 Moscow Communist Party Conference and the Sino-Soviet Dispute in the light of recent evidence, particularly secret material" (UK JIC(61)27(Final) of 4 Aug 61)

Enclosure: (1) Sino-Soviet Relations UK JIC(61)78 of 16 Oct 61.

Enclosure (1) is forwarded for the information of members and should be noted in connection with the UK JIC paper listed at reference (a).

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

cc: JIS (no enclosure)

cm 122 sent to file 2-11/75 mh
15/11/61

GSC 7-17 (JIC)



JOINT INTELLIGENCE COMMITTEE

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CONFIDENTIAL

gfb

7 November, 1961.

Ottawa, Ontario

MEMORANDUM FOR THE JIC:

AN EVALUATION OF MALINOVSKY'S SPEECH
TO THE XXTH CONGRESS OF THE CPSU

Enclosure: (1) LO-809 from the JICLO(L) dated
31 Oct 61 - An Evaluation of
Malinovsky's Speech to the XXTH Congress
of the CPSU.

Enclosure (1) is forwarded for your information. It has
been prepared by the Research Department of the UK Foreign
Office.

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Enc.
EAB/2-5459/1c
cc: JIS (2)
SO/JIR
SO/CI

E. A. Blais
(E.A. Blais)
Major,
Secretary.

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XXII

An Evaluation of Malinovsky's speech to the XXth
Congress of the CPSU (Pravda, October 25, 1961)

Malinovsky's speech is considerably more aggressive and intemperate than the corresponding speech of Shukov in 1956 and this difference undoubtedly reflects the higher temperature of international relations. At Party Congresses, however, the main work of sabre-rattling is customarily left to the Minister of Defence and nothing unusual is to be read into the fact that Malinovsky appears considerably tougher than Khrushchev. While paying lip service to the doctrine of the non-fatal inevitability of war, he strongly emphasises that war is possible so long as imperialism survives.

2. Malinovsky's task is to project Soviet military power. Some allowance has naturally to be made for element of exaggeration in his several statements which are intended to impress us with the fact that Soviet Forces are now at battle readiness, re-equipped, reorganized and trained for warfare in the nuclear-rocket age. In particular it seems unlikely that rocket training can have reached the high pitch which he claims; that anti-rocket defences are already in existence; that there has been much practice in the use of computers in the control of forces. Such claims await more specialized evaluation.

3. Probably the most important feature of the speech is the crystallisation of official military doctrine. Recently we have noticed repeated hints in the military press of controversy over such contentious questions as preemptive strikes, the role of conventional forces, escalation etc. Extreme positions have been taken up by various military leaders. Malinovsky does not resolve all the differences finally but takes up an intermediate, somewhat eclectic, position to which the practical measures he describes correspond fairly closely.

4. The official doctrine would now appear to be:-

(a) Preemption. The likelihood of a preemptive strike by the West is referred to several times and the main Soviet response is to preserve a high state of defensive alert. Malinovsky speaks of anti-rocket defence as already existing and says in vague terms that "the problems of destroying rockets in flight has been solved". Doctrine has not been finally established, however, because Malinovsky also says that he has elaborated "methods of smashing the enemy's aggressive plans by delivering a crushing blow against him in good time". There is no reference to a "second strike" capability.

(b) Escalation. Curiously enough Malinovsky adds no explicit comment to his statement that the West, aware of the consequences of nuclear war, is trying to secure its aggressive objectives in "small" or "local" wars. He then goes on to talk of the need to strengthen Soviet conventional forces. However, he adds later that "in modern conditions any armed conflict into which nuclear powers are drawn will inevitably be transformed into a general rocket and nuclear war". Evidently discussion of this question has not been finally closed but higher opinion is

.../2

inclined to regard escalation as inevitable.

- (c) The role of nuclear weapons. One of the important principles of established Soviet military doctrine, Malinovsky states, is that a world war will inevitably be fought with rocket and nuclear weapons, and this will effect both the commencement and conduct of the war. The first massed nuclear blows will determine to an enormous extent the whole future course of the war. The Soviet Union is regarded as less vulnerable than its potential enemies but the degree of destruction which could be inflicted by nuclear war cannot be accepted.
- (d) The role of conventional forces. This has not been finally decided. Whereas Zhukov had said in 1956 that the use of new weapons did not diminish the decisive importance of conventional forces. Malinovsky is more tentative and assigns them a specific role in the consolidation of victory saying: "we are coming to conclusion that the final victory will be achieved only by all forms of armed forces.... A future world war will be waged by mass, multi-million armed forces". This explains why attention is being devoted to the development of all arms. In particular, Malinovsky refers to the training of units armed with rockets and tactical nuclear weapons capable of operations in depth. He does not discount, as Zhukov did in 1956, the independent use of tactical atomic weapons and this presumably indicates that the Russians have not developed them. Nor is there any mention of the obsolescence of conventional aircraft or ships, which Khrushchev used to emphasise a year or so ago.

5. Perhaps the most interesting feature of the official doctrine as outlined by Malinovsky is that it is so conventional and limited. It is surprising that no account is taken of 'second strike' theory, the circumstances in which war might start and more recent innovations in American military thinking. This may be because the Russian ideas are still evolving. Nevertheless the speech provides an important indication of current Soviet anticipations on the course of a future war.

CC 1574-1 (JIC)



JOINT INTELLIGENCE COMMITTEE

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CONFIDENTIAL

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7 November, 1961

Ottawa, Ontario

JIB

ROLLING STOCK OF SATELLITE RAILWAYS

Enclosure: (1) SHAPE 0470.1/17 of 27 Oct 61

Your attention is invited to paragraph 2 of enclosure (1).
I would appreciate being informed by 22 Nov 61, if we will
be able to make any contribution to SHAPE.

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

cc: J.K. Starnes, Esq.,
Dept. of External Affairs.

- DNI
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NOV 8 1961

C O P Y

SUPREME HEADQUARTERS ALLIED POWERS EUROPE
PARIS, FRANCE

0470.1/17

27 October, 1961.

SUBJECT: Rolling stock of the Satellite Railways

TO: See Distribution

1. A conference on railway methodology was held in SHAPE from 9 to 19 October 1961.

Examining the capacity of the various Satellite railways the delegates have stated that it was necessary to know the number of locomotives existing in different countries and subsequently the amount of rolling stock.

2. Owing to the need of information on this subject, SHAPE requests addressees to send all information they may have concerning:

a. locomotive park in each Satellite country

- (1) Steam
- (2) Diesel
- (3) Electric

b. number of rail cars in each country and particularly:

- (1) 2 axle cars
- (2) 4 axle cars
- (3) heavy cars for tanks
- (4) cistern cars (if possible, with capacity)....
- (5)etc.....

c. the types of locomotives used in each country with (if possible) main characteristics particularly starting and tractive effort etc.

FOR THE ASSISTANT CHIEF OF STAFF, INTELLIGENCE:

(sgd) C.R.W. NORMAN
Colonel, British Army
Co-ord

DISTRIBUTION
on page 3

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CC 1374-1 (JIC)



JOINT INTELLIGENCE COMMITTEE

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(Enclosure SECRET)

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7 November, 1961
Ottawa, Ontario

DNI
JIB

SOVIET POL REQUIREMENTS

Enclosure: (1) SHAPE message SH 31277 of 7 Nov 61

1. The attention of addressees is invited to paragraph 3 of enclosure (1).
2. I would appreciate being informed by 16 Nov 61 if we will be able to provide SHAPE with any of the requested information.

Info in JIB

W. St. Laurent

E.A. Blais
(E.A. Blais)
Major,
Secretary.

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Enc.

EAB/2-5459/1c

cc: J.K. Starnes, Esq.,
Dept of External Affairs.

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Info NOV 8 1961
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TO AIG 5288 NADR UNITED KINGDOM STANMORE ENGLAND (CCC UK PASS)

MLF HEIDELBERG GERMANY

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NATO SECRET

CITE SH 31277

PARA 1. NUMEROUS REPORTS FROM 2 NATIONAL STAFFS STATE SHIPS IN BALTIC AND WHITE SEA HAD DIFFICULTIES IN REFUELLING BETWEEN 8 AUGUST AND 4 OCTOBER.

PARA 2. POSSIBLE REASONS:

- A. SOVIET NAVAL VESSELS HIGH FUEL REQUIREMENTS DURING MANEUVERS.
- B. UNUSUAL HEAVY RAIL TRAFFIC DUE TO MILITARY TRANSPORTS.
- C. EVENTUALLY, POL MOVEMENTS TO SATELLITES AS PART OF INCREASE MILITARY PREPAREDNESS.

PARA 3. ALL MODS ARE REQUESTED TO FORWARD TO SHAPE:

- A. INTELLIGENCE ON POL DIFFICULTIES IN USSR (INCLUDING PORTS).
- B. INFORMATION ON UNUSUALLY HEAVY RAIL TRANSPORTS IN USSR.
- C. INFORMATION (INCLUDING PRESS) INDICATING WAGON ROTATION DELAYS, DELAYS AND BOTTLENECKS IN TRANSPORTS, FAULTY MANAGEMENT.

BT

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JOINT INTELLIGENCE COMMITTEE

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(Enclosure SECRET)

CC 1544-5 (JIC)

2 November, 1961.
Ottawa, Ontario

- DNI (1)
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- JIB (2) (1 for JAWG)
- DSI (1)

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SINO-SOVIET BLOC AIRCRAFT

Enclosure (1) Sino-Soviet Bloc Aircraft dated
1 July, 1961.

Enclosure (1) is forwarded for retention.

NOV. 3 1961

E.A. Blais
(E.A. Blais)
Major,
Secretary.

[Signature]

Enc.

EAB/2-5459/1c

- J.K. Starnes, Esq.,
Dept. of External Affairs. (no enclosure)
- RCMP "
- CB NRC "
- JIS (1)

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JIBS 213-2000-1

OUR FILE REF.



CANADA

DEPARTMENT OF NATIONAL DEFENCE
DEFENCE RESEARCH BOARD

Ottawa, Ontario,
October 31, 1961.

Under-Secretary of State
for External Affairs,
Department of External Affairs,
East Block,
Ottawa, Ontario.

50028-B-40
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ATTENTION: Mr. J.K. Starnes,
Defence Liaison (2) Division.

Civil Defence in the Sino-Soviet Bloc

1. With our JIBS 213-2000-1 of May 26, we forwarded a copy of an unclassified statement on Civil Defence in the Soviet Union with the suggestion that it be sent to the Emergency Measures Organization.

2. We have recently been asked by DMI to produce a fuller unclassified treatment of this subject for the use of Major General (Survival) in connection, we understand, with a Cabinet briefing in the near future. Two copies are enclosed. Please forward one to the Emergency Measures Organization (Mr. R.B. Curry) for his information.

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NOV 3 1961

Letter dated Nov. 11/5 to Mr. Curry FMO
D.A. Camfield,
Chief,
Estimates and Research Division,
Joint Intelligence Bureau.

File

Encl. 2

UNCLASSIFIED

Civil Defence in the Soviet Union

General

1. Civil Defence matters in the Soviet Union are dealt with along civil administrative channels, that is, the chiefs of administration of the regions, towns and localities are charged with the provision of the necessary equipment, training and shelters to protect the population from the effects of enemy action.
2. Overall air defence of the country is the responsibility of the Air Defence Command (PVO Strany) of the armed forces of the USSR. This authority provides warning and has at its disposal the weapons to repel enemy attack.
3. Until late 1959 overall responsibility for Civil Defence rested with the Federal Ministry of Internal Affairs. When this Ministry was dissolved, some of the coordinating functions in this field were probably assumed by the Ministry of Defence.
4. In the Republics the Ministries of Internal Affairs were retained and Civil Defence matters continue to be dealt with by them. The authority charged with dealing with these matters is known as the MPVO (Mestnaya Protivovozdushnaya Okhrana) which can be translated as Local Passive Air Defence whose task is to provide the means to protect a locality from air attacks, to clear up any damage resulting from an attack and to restore the necessary services as quickly as possible so that normal life can be resumed.
5. The specific duties of the MPVO are: Warning a settlement of an impending attack and notification of the All Clear; the provision of camouflage, and supervision of the necessary blackout; the organization of fire fighting as well as of clearing and rescue operations; the undertaking of anti gas defence and decontamination; the construction of shelters for the population; the provision of first aid, medical and veterinary care to those injured from the air, the maintenance of law and order in the area under its jurisdiction.

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6. In order to accomplish these assignments a chief of MPVO is appointed for the area, city, town or settlement. This official is ex officio the head of the local civil administration, or one of his senior officers. He has a staff and maintains liaison with the military anti-aircraft command. He has authority in the event of an air raid as far as protective measures in his area are concerned. To assist him in his task he has at his disposal civil defence groups known as Self-Defence Groups. These groups consist of about forty-eight people and are formed on the basis of one group for every 300 to 700 population, varying from the smaller figure in thinly populated rural areas to the larger one in heavily settled cities and towns.

7. Self-Defence groups are organized on the basis of the nearest convenient units. These units might be apartment blocks, factories, or institutions or rural settlements. The senior officials of such units, the factory directors, or the apartment block managers, head of institutions, or principals of schools, are ex officio chiefs of the groups. In units of more than 1,000 people, requiring more than one Self-Defence Group, the head of the institution or enterprise appoints the Heads of the Self-Defence Groups from among his senior subordinates, section heads or branch chiefs.

8. The head of each Self-Defence Group has a staff consisting of one property officer, one liaison officer, and a Political Deputy. He also has up to eight teams of specially trained personnel to perform the necessary protective work. There is a team of six charged with the maintenance of order and observation; a team of seven fire fighters, a seven-man team of anti-chemical defence workers, a six-man rescue squad, two first-aid teams of four men each, a shelter team of five and, finally, a veterinary squad of five men. The actual number of teams will vary according to the prevailing situation. For example shelter teams would only be created in cities and towns having shelters, and veterinary squads on the basis of one for every herd of large cattle between

UNCLASSIFIED

- 3 -

30 to 100 head. In rural areas with a population of 200-500 persons, all purpose groups are established, and in places with less than 200 inhabitants even smaller groups, known as separate units are set up.

9. The duties of these teams are self-explanatory. In the event of an air raid warning they are to proceed to their action stations so that in the event of an actual raid developing they are ready to perform their tasks. The civil population, in this period, are to carry out preparatory tasks to reduce fire hazards, to protect food or animals. These tasks include the extinguishing of lights and fires, the turning off of gas or electricity and the assembly of protective clothing, respirators and other equipment which might be necessary for their welfare and protection during the actual air raid. When the actual alert is sounded, therefore, they are ready to proceed to their shelters or seek protection as best they can. For the duration of the attack the various teams have full authority over the population and are responsible for all possible safety measures in their respective domains. When the all clear is sounded the people will remain in their shelters until such time as the rescue teams make it possible for them to leave the shelters by removing any possible rubble, or completing the necessary decontamination and give the order for evacuation. The fire fighting teams will of course be assisted by the fire fighting services of the municipality, and the group responsible for the maintenance of order by the police.

10. The concept of defence therefore is based on self-help at the local level, rather than on the use of some type of flying columns. It is not known whether or not this rather elaborate organization has actually been set up throughout the country, but Mr. Khrushchev has stated that there are 22 million trained civil defence workers now in the Soviet Union and that an additional 5 million are being trained annually. Working on the ratio of one team per approximately 500 population, however, the 22 million figure quoted would indicate that this has probably been achieved.

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11. The training of the population in Civil Defence matters is the responsibility of the Voluntary Society for Cooperation with the Army, Aviation and Fleet (DOSAAF). The Society, to begin with, has a number of regional schools to train instructors who are then employed in teaching the population. The students for these instructor's courses are selected from the local MPVO staffs. The first mass training programme was started in 1955 by a 10 hour basic anti-atomic training course, which, according to official statements, was attended by 85 per cent of the population during 1955-56. In 1957 a new, 22 hour training programme was instituted, which provided training against chemical, biological as well as nuclear attack. This programme was to have been completed by the end of 1958. Also prepared was a course for 1959-60 which was called "Prepared for First-Degree Anti-Air Defence" which was to be taught to the whole population between the ages of 16-65. The programme was practical in nature and taught the following specialties during a 14 hour course.

- (a) The outward signs and destructive elements of atomic, chemical and bacteriological substances and incendiary bombs.
- (b) The gas mask, and also the protective qualities of substitutes such as wadded-gauze, cotton cloaks or stockings against radioactive fallout.
- (c) Collective means of defence such as shelters and coverings.
- (d) Problems of fire precaution, fire extinguishing and the various signals used to indicate air alert, alarm, all clear, etc.
- (e) First aid.
- (e) Methods of removing the damage caused by an attack.

In rural areas a period is added which deals with the protection of livestock, the treatment of wounds and burns following an attack and the administration of medication and first aid to the animals.

12. A fair amount of literature is published by DOSAAF. This can be divided into two groups. The first consists of periodicals which are designed to maintain interest in DOSAAF activities and the second is Training literature

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proper. To the first group belongs the biweekly newspaper *Sovietskiy Patriot* which deals with DOSAAF activities generally and then there are three monthly illustrated journals one each dealing with army, navy and air matters. Although these periodicals primarily deal with matters of imparting military skills in their respective fields to members of the Society, civil defence matters are also included.

13. The second group of publications includes numerous paper-backed books dealing with all aspects of civil defence matters. These books range from ones of general nature, designed for public consumption explaining the nature of, effect and results of atomic, chemical and biological weapons to scientific works dealing with specific aspects, particularly in the field of therapeutic medicine.

14. Books are also published on the subject of civil defence proper in which the duties of the MPVO personnel are described in detail. These are used in the training programme referred to above.

15. In order to stimulate interest in Civil Defence preparation two awards have been established. The first is a badge, called "Distinction in MPVO" which is awarded to MPVO staff members and DOSAAF instructors who have excelled in training the population. The second award is the badge "Prepared for PVO" which can be earned by those who have completed the programme and have qualified in Anti-Air Defence, first class.

Shelters

16. No accurate information on the amount of equipment held by the MPVO for their exclusive use is available and the same applies to the provision of shelter. Up till 1959 all new buildings were, by law, required to provide basement shelter but this has been discontinued and discussions have indicated that free standing shelters are considered more suitable.

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17. Estimates of the number of people who could find cover in shelters have been made, these claim that between 1/4 to 1/3 of the population in the larger cities could find cover by utilizing existing shelters of World War II type, subways and other means of protection. The real value of this is considered highly doubtful.

Stockpiling

18. There is no evidence available to indicate that large stockpiles of food or other supplies have been accumulated for Civil Defence purposes. However, it is quite possible that this has been done. Nor has any information reached us to indicate that extra medical supplies or decontamination materials have been assembled nor that special hospital facilities have been constructed.

Communications

19. There is no single specified alarm system which is to be used to warn the population in the event of impending enemy action. The public radio system will be employed supplemented by local devices such as the whistles of factories, train engines or steamers and sirens. Individuals are to be familiar with the local air raid warning which evidently may vary from place to place. There is an adequate radio system covering the whole of the country and it is considered that no serious difficulties would be encountered in warning most of the population.

Exercises

20. No large scale civil defence exercises have been observed or reported.

Evacuation

21. In recent Soviet Civil Defence literature the realistic doctrine has been propagated that the only way to reduce the number of casualties in a nuclear war would be through large scale pre-hostility evacuation of large centres. The means of achieving this as they are described in their text books are rather puerile.

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Evaluation

22. Despite the fact that much of the training is of the World War II PAD type, it is obvious that considerable time and effort is being and has been expended in the Soviet Union to acquaint the people with the problems of survival under air attack and the bulk of the population will have some basic knowledge on which to fall back in the event of hostilities.

23. It is worthwhile noting, however, that despite frequent Soviet boasts of their capability to destroy any attacker, few, if any, claims have been made that the Soviet Union could withstand or recover from a nuclear attack. It is suggested that the absence of any such positive claims of their capability to survive nuclear war is also indicative of the fact that their civil defence system is relatively poorly developed because positive assurance of such a capability would have tremendous propaganda value.

Satellites

24. In the Satellites Civil Defense organizations follow the Soviet pattern closely. There have been many reports of shelter construction as well as of exercises, however, neither of these are thought to be of a very high standard. In Albania only rudimentary training has taken place. In Bulgaria there is little evidence to support the claim that a high level of preparedness has been achieved. The existence of underground government shelters has been reliably reported. Czechoslovakia has underground emergency administrative headquarters in several regional capitals and has a good system of communications. Air raid practices have taken place in some of the larger cities. In East Germany an attempt at mass training has been made although the mass exodus of doctors has hindered the development of medical services. Some reconstruction of World War II shelters has also been observed.

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25. Hungary prior to 1956 had reached a fairly high level and there have been numerous reports of the building of large shelters. The building of basement shelters, which was mandatory since 1959 in all new construction, was discontinued in June 1961. In Poland although Civil Defence is given wide publicity it suffers from public apathy. In Roumania it appears that the regulations for the provision of shelters are not enforced and that the level of Civil Defence activity is very low.

China

26. Very little attention appears to have been given either to Civil Defence training or to shelter construction. However, simple earth shelters against fall-out could be constructed very quickly if needed, and the present social organization is well suited both to this task and to the initiation of a mass training programme. In the short term, however, China is thought to be unprepared in all the important aspects of Civil Defence against ABC attack.

Joint Intelligence Bureau
Ottawa, Ontario.

30 October 1961.

UNCLASSIFIED

Civil Defence in the Soviet Union

General

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6. In order to accomplish these assignments a chief of MPVO is appointed for the area, city, town or settlement. This official is ex officio the head of the local civil administration, or one of his senior officers. He has a staff and maintains liaison with the military anti-aircraft command. He has authority in the event of an air raid as far as protective measures in his area are concerned. To assist him in his task he has at his disposal civil defence groups known as Self-Defence Groups. These groups consist of about forty-eight people and are formed on the basis of one group for every 300 to 700 population, varying from the smaller figure in thinly populated rural areas to the larger one in heavily settled cities and towns.

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8. The head of each Self-Defence Group has a staff consisting of one property officer, one liaison officer, and a Political Deputy. He also has up to eight teams of specially trained personnel to perform the necessary protective work. There is a team of six charged with the maintenance of order and observation; a team of seven fire fighters, a seven-man team of anti-chemical defence workers, a six-man rescue squad, two first-aid teams of four men each, a shelter team of five and, finally, a veterinary squad of five men. The actual number of teams will vary according to the prevailing situation. For example shelter teams would only be created in cities and towns having shelters, and veterinary squads on the basis of one for every herd of large cattle between

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30 to 100 head. In rural areas with a population of 200-500 persons, all purpose groups are established, and in places with less than 200 inhabitants even smaller groups, known as separate units are set up.

9. The duties of these teams are self-explanatory. In the event of an air raid warning they are to proceed to their action stations so that in the event of an actual raid developing they are ready to perform their tasks. The civil population, in this period, are to carry out preparatory tasks to reduce fire hazards, to protect food or animals. These tasks include the extinguishing of lights and fires, the turning off of gas or electricity and the assembly of protective clothing, respirators and other equipment which might be necessary for their welfare and protection during the actual air raid. When the actual alert is sounded, therefore, they are ready to proceed to their shelters or seek protection as best they can. For the duration of the attack the various teams have full authority over the population and are responsible for all possible safety measures in their respective domains. When the all clear is sounded the people will remain in their shelters until such time as the rescue teams make it possible for them to leave the shelters by removing any possible rubble, or completing the necessary decontamination and give the order for evacuation. The fire fighting teams will of course be assisted by the fire fighting services of the municipality, and the group responsible for the maintenance of order by the police.

10. The concept of defence therefore is based on self-help at the local level, rather than on the use of some type of flying columns. It is not known whether or not this rather elaborate organization has actually been set up throughout the country, but Mr. Khrushchov has stated that there are 22 million trained civil defence workers now in the Soviet Union and that an additional 5 million are being trained annually. Working on the ratio of one team per approximately 500 population, however, the 22 million figure quoted would indicate that this has probably been achieved.

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11. The training of the population in Civil Defence matters is the responsibility of the Voluntary Society for Cooperation with the Army, Aviation and Fleet (DOSAAF). The Society, to begin with, has a number of regional schools to train instructors who are then employed in teaching the population. The students for these instructor's courses are selected from the local MPVO staffs. The first mass training programme was started in 1955 by a 10 hour basic anti-atomic training course, which, according to official statements, was attended by 85 per cent of the population during 1955-56. In 1957 a new, 22 hour training programme was instituted, which provided training against chemical, biological as well as nuclear attack. This programme was to have been completed by the end of 1958. Also prepared was a course for 1959-60 which was called "Prepared for First-Degree Anti-Air Defence" which was to be taught to the whole population between the ages of 16-65. The programme was practical in nature and taught the following specialties during a 14 hour course.

- (a) The outward signs and destructive elements of atomic, chemical and bacteriological substances and incendiary bombs.
- (b) The gas mask, and also the protective qualities of substitutes such as wadded-gauze, cotton cloaks or stockings against radioactive fallout.
- (c) Collective means of defence such as shelters and coverings.
- (d) Problems of fire precaution, fire extinguishing and the various signals used to indicate air alert, alarm, all clear, etc.
- (e) First aid.
- (e) Methods of removing the damage caused by an attack.

In rural areas a period is added which deals with the protection of livestock, the treatment of wounds and burns following an attack and the administration of medication and first aid to the animals.

12. A fair amount of literature is published by DOSAAF. This can be divided into two groups. The first consists of periodicals which are designed to maintain interest in DOSAAF activities and the second is Training literature

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proper. To the first group belongs the biweekly newspaper *Sovietskiy Patriot* which deals with DOSAAF activities generally and then there are three monthly illustrated journals one each dealing with army, navy and air matters. Although these periodicals primarily deal with matters of imparting military skills in their respective fields to members of the Society, civil defence matters are also included.

13. The second group of publications includes numerous paper-backed books dealing with all aspects of civil defence matters. These books range from ones of general nature, designed for public consumption explaining the nature of, effect and results of atomic, chemical and biological weapons to scientific works dealing with specific aspects, particularly in the field of therapeutic medicine.

14. Books are also published on the subject of civil defence proper in which the duties of the MPVO personnel are described in detail. These are used in the training programme referred to above.

15. In order to stimulate interest in Civil Defence preparation two awards have been established. The first is a badge, called "Distinction in MPVO" which is awarded to MPVO staff members and DOSAAF instructors who have excelled in training the population. The second award is the badge "Prepared for PVO" which can be earned by those who have completed the programme and have qualified in Anti-Air Defence, first class.

Shelters

16. No accurate information on the amount of equipment held by the MPVO for their exclusive use is available and the same applies to the provision of shelter. Up till 1959 all new buildings were, by law, required to provide basement shelter but this has been discontinued and discussions have indicated that free standing shelters are considered more suitable.

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17. Estimates of the number of people who could find cover in shelters have been made, these claim that between 1/4 to 1/3 of the population in the larger cities could find cover by utilizing existing shelters of World War II type, subways and other means of protection. The real value of this is considered highly doubtful.

Stockpiling

18. There is no evidence available to indicate that large stockpiles of food or other supplies have been accumulated for Civil Defence purposes. However, it is quite possible that this has been done. Nor has any information reached us to indicate that extra medical supplies or decontamination materials have been assembled nor that special hospital facilities have been constructed.

Communications

19. There is no single specified alarm system which is to be used to warn the population in the event of impending enemy action. The public radio system will be employed supplemented by local devices such as the whistles of factories, train engines or steamers and sirens. Individuals are to be familiar with the local air raid warning which evidently may vary from place to place. There is an adequate radio system covering the whole of the country and it is considered that no serious difficulties would be encountered in warning most of the population.

Exercises

20. No large scale civil defence exercises have been observed or reported.

Evacuation

21. In recent Soviet Civil Defence literature the realistic doctrine has been propagated that the only way to reduce the number of casualties in a nuclear war would be through large scale pre-hostility evacuation of large centres. The means of achieving this as they are described in their text books are rather puerile.

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Evaluation

22. Despite the fact that much of the training is of the World War II PAD type, it is obvious that considerable time and effort is being and has been expended in the Soviet Union to acquaint the people with the problems of survival under air attack and the bulk of the population will have some basic knowledge on which to fall back in the event of hostilities.

23. It is worthwhile noting, however, that despite frequent Soviet boasts of their capability to destroy any attacker, few, if any, claims have been made that the Soviet Union could withstand or recover from a nuclear attack. It is suggested that the absence of any such positive claims of their capability to survive nuclear war is also indicative of the fact that their civil defence system is relatively poorly developed because positive assurance of such a capability would have tremendous propaganda value.

Satellites

24. In the Satellites Civil Defence organizations follow the Soviet pattern closely. There have been many reports of shelter construction as well as of exercises, however, neither of these are thought to be of a very high standard. In Albania only rudimentary training has taken place. In Bulgaria there is little evidence to support the claim that a high level of preparedness has been achieved. The existence of underground government shelters has been reliably reported. Czechoslovakia has underground emergency administrative headquarters in several regional capitals and has a good system of communications. Air raid practices have taken place in some of the larger cities. In East Germany an attempt at mass training has been made although the mass exodus of doctors has hindered the development of medical services. Some reconstruction of World War II shelters has also been observed.

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25. Hungary prior to 1956 had reached a fairly high level and there have been numerous reports of the building of large shelters. The building of basement shelters, which was mandatory since 1959 in all new construction, was discontinued in June 1961. In Poland although Civil Defence is given wide publicity it suffers from public apathy. In Roumania it appears that the regulations for the provision of shelters are not enforced and that the level of Civil Defence activity is very low.

China

26. Very little attention appears to have been given either to Civil Defence training or to shelter construction. However, simple earth shelters against fall-out could be constructed very quickly if needed, and the present social organization is well suited both to this task and to the initiation of a mass training programme. In the short term, however, China is thought to be unprepared in all the important aspects of Civil Defence against ABC attack.

Joint Intelligence Bureau
Ottawa, Ontario.

30 October 1961.

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1 NOVEMBER, 1961.

**TO: - THE UNDER-SECRETARY OF STATE,
DEPARTMENT OF EXTERNAL AFFAIRS,
EAST BLOCK,
OTTAWA, ONTARIO. ATTENTION: MR. J.K. STAPLES**

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Ottawa, Ontario
27 October, 1961

Mr. J.K. Starnes, Esq.,
Dept. of External Affairs.
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SINO-SOVIET ECONOMIC AND MILITARY RELATIONS

Enclosure: (1) CANADIAN JIC 423/1 (61) dated
20 October, 1961 on the above
subject.

OCT 30 1961

Enclosure (1) will be discussed at the meeting
of the Committee to be held on 1 November, 1961.

L.A. Blais
Major,
Secretary.

Encl.

EAB/2-5459/cp

cc: CJS
JIS (2)
SO/JIR
SO/CI

SECRET

CANADIAN JIC 423/1(61)
20 October, 1961.

COPY NO. 2

SINO-SOVIET ECONOMIC AND MILITARY RELATIONS

OBJECT

1. The object of this paper is to review the main factors affecting the Sino-Soviet economic and military relations, to discuss their recent developments and to consider in general terms their possible evolution.

CONCLUSIONS

2. Although there is little evidence that Sino-Soviet economic relations have improved greatly since the fall of 1960, trade continues on a reduced scale and there is a large measure of business as usual. In the longer term, the Chinese government will probably seek to reduce its dependence on Sino-Soviet trade.

3. The limited nature of Soviet aid and the little that has been said about it, together with the restriction of assistance in particular fields such as the defence industries, suggest that there are continuing strains. Nevertheless, China is apparently to receive some Soviet aid in the coming years.

4. There is evidence that economic means are becoming increasingly important in the struggle for power between the two countries and that this trend will continue. This is now particularly apparent within the Sino-Soviet Bloc but may become increasingly evident throughout the underdeveloped world.

5. Although China is still receiving some military equipment and limited technical aid from the Soviet Union, this assistance has declined substantially during the past few years. Soviet military missions to China have been reduced or withdrawn and the Soviet Union is not providing the more sophisticated weapons and equipments nor the technological assistance which would enable Communist China to meet its own requirements.

6. There is evidence that the Soviet Union has assisted Communist China in establishing a guided missile test range. Although the full extent of Soviet assistance is not known it seems clear that there has been at least sufficient assistance to enable Communist China to launch their own guided missile research and development programme.

DISCUSSION

Sino-Soviet Economic Relations

Introduction

7. Economic affairs, perhaps more than any other aspect of Sino-Soviet relations, reveal the dimensions of the political dispute between the two countries. The price which China is prepared to pay for its waywardness, the severity of the sanctions which the Soviet Union is willing to impose and the extent to which considerations of economic gain overcome ideological qualms all provide some gauge of the limits of the quarrel. Sino-Soviet trade, Soviet economic aid to China and Sino-Soviet economic aid to both communist and non-communist underdeveloped countries are the three categories of economic activity which are most illuminating in this connection.

Sino-Soviet Trade

8. It may be that in a later perspective 1959 will appear as a peak year in Sino-Soviet economic cooperation and as a turning point in economic relations between the two countries. In that year China, by overtaking East Germany, became the leading trading partner of the Soviet Union. It registered an increase of 50 per cent in imports of Soviet origin and increased its exports to the Soviet Union by 23 per cent. Sino-Soviet trade totalled 2 billion dollars or about 50 per cent of all China's foreign trade. The Soviet Union shipped 600 million dollars in machinery alone to China and the year as a whole seemed to presage increasingly close Sino-Soviet economic cooperation. This being so, the subsequent deterioration and loosening of economic ties has been all the more striking.

9. Chinese trade with the Soviet Union declined in 1960 and will almost certainly decline further in 1961. The reasons for this trend were initially economic but its continuation has some political overtones. By the middle of 1960 it was apparent that the Chinese were encountering serious difficulties in agriculture, as well as in some sectors of industry, and that they were unable to meet their export commitments to the Soviet Union. Since the Soviet Union was apparently unwilling, for either political or economic reasons, to meet even part of China's requirements for grain the Chinese Government was obliged to make large purchases from non-communist countries and to assign a large part of its future export earnings to this purpose. Also; it is now known that the Chinese accumulated a deficit of 320 million dollars in their balance of payments with the Soviet Union, and as a result of the disruption in the Chinese economy, they were obliged to delay the conclusion of a new Sino-Soviet trade protocol for 1961 until April of that year.

10. This agreement, which was finally signed on 7 April after protracted negotiations, demonstrated the extent of the changes which had taken place since 1959. The Soviet Union recognised Chinese difficulties by allowing the Chinese Government to make interest-free

repayment of its deficit over a period of five years beginning in 1962 and by agreeing to deliver to China 500,000 tons of sugar on interest-free, deferred payment terms, but the list of commodities to be exchanged was curtailed and no indication was given of the expected level of trade. In particular, there was no mention of the export of Chinese foodstuffs or raw cotton to the Soviet Union, although in previous years these had made up over 25 percent of Chinese exports.

11. The terms of the agreement, although practical and businesslike, hardly suggested a major Soviet effort to assist its largest ally. The funding of the Chinese short-term debt may well have been, from the Soviet point of view, a virtue growing out of necessity; the loan of sugar was paltry by comparison with both Chinese overall economic requirements and Soviet aid to other nations. Nevertheless, the agreement at least showed a determination to continue orderly business, albeit on a reduced scale, and at most it suggested that there had been some improvement in Sino-Soviet relations since the fall of 1960. Although Sino-Soviet trade will probably decline in 1961, both absolutely and in relation to China's trade with the West, the value of maintaining this tie apparently outweighed the bitter ideological issues which separate the two countries politically. While some overtones of these deeper issues were apparent in the communique announcing the agreement, its general objective was clearly a large measure of business as usual.

12. It is doubtful, however, whether even a major improvement in the Chinese economic situation or a political rapprochement would result in a reversion to previous patterns of trade. The Chinese, who have shown some reluctance in the past to commit themselves to excessive dependence on Soviet economic support, are likely to take their recent experiences as evidence of the wisdom of a more balanced distribution of their trade. If they are able to expand their exports to the non-communist world and to obtain suitable credit facilities, they will probably seek to lessen their dependence on the Bloc, and particularly the Soviet Union, in the longer term.

Soviet Economic Aid to China

13. While the agreement on trade showed a determination to retain some degree of business as usual, later Sino-Soviet agreements on aid and technical cooperation have revealed with equal clarity the rather narrow limits within which Sino-Soviet economic ties must develop. The communiqués describing the agreements on economic, scientific and technical cooperation, which were signed in Moscow on 19 June 1961, were curt and contained no hint of new large-scale economic aid for China. While it is possible that such aid was in fact promised, the absence of the usual propaganda fanfare makes this unlikely and it seems that Soviet assistance to China is to be restricted to the deferment of short-term debt and the loan of sugar as set out in the trade agreement, and to some unspecified assistance in the development of industry. This is all the more remarkable in the light of a later announcement of a Soviet credit of 500 million dollars to East Germany and the major Soviet contribution to Indian development plans. It is nevertheless consonant with the history of Soviet aid to China over the past decade.

14. Up to the end of 1960 Soviet economic credits and grants to China had amounted to only about 500 million dollars, a surprisingly small amount in view of the size and importance of the country. Only Czechoslovakia, Albania and North Vietnam in the communist world have received less economic aid than this from Moscow, and even neutralist India has received more. Although the Chinese have frequently boasted of their ability to pay their own way, there have been some indications

that they feel that they have been neglected and that they particularly resent the granting of large Soviet credits to influential, neutralist countries such as India. They also are probably annoyed by the restriction of Soviet aid in particular fields; so far, for example, they have received no modern jet bombers or transport aircraft, although these have been provided to Indonesia. The precise balance between this kind of resentment and the desire to avoid too great a dependence on the Soviet Union is difficult to determine and is doubtless confused in the minds of the Chinese. In any event, the greater part of Soviet support to the Chinese industrial development programme has been in the form of machinery provided in the course of normal trade or technical assistance in the establishment of new plants.

15. It is now apparent that even this limited programme has been further curtailed and that since the middle of 1960 the Soviet Union has withdrawn most of its technicians from China. This move seems to have been an expression of the bitterness of the Sino-Soviet dispute rather than a serious attempt to bring the Chinese to heel. There is no evidence to suggest that the Soviet Government applied any other economic sanctions and, although it has not been generous in assisting the Chinese, it has not taken maximum advantage of the weak Chinese economic position to attempt to force major concessions. There is evidence that the general attitude of the Chinese toward Soviet technicians was resented and this, together with alleged Chinese attempts to indoctrinate Soviet personnel with unorthodox ideas, was used at least in part as a pretext for their withdrawal. Nevertheless, it also seems clear that this action was partly intended to demonstrate to the Chinese that they could not simultaneously enjoy Soviet assistance and the right to challenge the leadership of Moscow. But the Soviet Government, perhaps with the example of Yugoslavia in mind, seems to have decided against full-scale, economic sanctions. The impact of the removal of the technicians on the Chinese economy has so far not been serious enough to overcome Chinese xenophobia and to oblige the Chinese government to seek technical assistance elsewhere.

16. In spite of its limited nature however the Soviet economic aid programme in China remains of considerable importance to the Chinese economy and it will probably continue to be an important element in Sino-Soviet relations. In particular, assistance with the provision of a broad industrial base, with the Soviet Union supplying both skilled technical personnel and some complete plants has been an essential ingredient in China's progress over the last ten years. While not massive, this aid has been apportioned to industries such as steel, electric power and petroleum, all vital to the country's economic progress and incapable of making such strides as they have on their own. To maintain that progress without a loss of momentum, continued aid would be necessary for some years. In addition to these bases of her industry, China is still dependent on external sources for certain types of electronic equipment, for machine tools and for components and technological assistance in her defence industries. The duration of this dependence is difficult to predict and would vary with different industries, but it is probable that in some critical areas, where loss of aid would cause a severe drag on economic progress, it will continue beyond 1965 and in some less crucial sectors for an even longer period. The current retrenchment in Chinese industrial planning is largely related to domestic economic difficulties but its severity and duration will depend in part upon the continuation of Soviet aid. The present signs are that this aid will continue but that it may well be seriously curtailed.

Sino-Soviet Aid to the Underdeveloped Countries

17. It is clear that the Soviet Union and China are struggling for influence in the Asian communist satellites and, more recently, even in Eastern Europe and it is in these areas that their conflict is most striking. The scale of Soviet aid to North Korea, North Vietnam and Mongolia seems quite out of proportion to the intrinsic importance of these countries and can only be related to a Soviet determination to maintain its influence in these areas. In spite of its economic difficulties China has made a major effort to match Soviet aid in scale, presumably in order to place these states in a Chinese sphere of influence. Even more striking, China has directly challenged Moscow's leadership in Europe by extending an economic development credit valued at 125 million dollars to Albania. In view of its alignment with China in the Sino-Soviet dispute, Albania apparently prefers to receive the majority of its aid from China thus making itself less vulnerable to Soviet pressure. The announcement of this agreement in the middle of the recent Sino-Soviet talks on economic relations can hardly have disposed the Soviet Government more favourably toward the idea of providing more aid to China. That this kind of competition persists in spite of the disparity in the economic power of the two countries suggests the possibility of even more bitter economic struggle as the Chinese economy grows.

18. With regard to the non-communist world, there is a basic difference of view between the Soviet and Chinese regimes as to the best method of acquiring power in underdeveloped countries and this has led to some Chinese criticism of Soviet foreign aid policies. The Chinese believe that in these areas indigenous communists must be encouraged to seize power at the earliest possible stage. The Russians assume that evolution towards communism is virtually inevitable but, since this trend could be prejudiced by precipitate Sino-Soviet action, the political takeover by communists in particular countries can and should be delayed until it follows in the natural course of events after a long period of economic and political penetration. Thus for the Chinese the important thing is aid to indigenous communists and the encouragement of revolt, but for the Russians massive and prolonged aid, even to bourgeois regimes, is the essential feature of communist strategy.

19. Such divergent concepts might be expected to produce vastly different foreign aid programmes but in fact the differences are more apparent than real. Generally speaking the Chinese have been more active in the support of dissident groups such as the UPC in Cameroun and the FLN in Algeria, but the Soviet Union has also shown its readiness to take forceful and effective action to support Communist dissidents where there has been a prospect of important gains, as for example in Laos. Conversely, the Chinese have extended large credits to neutralist countries such as Burma and to extremely reactionary regimes such as that in Yemen.

20. In view of this general similarity between the two aid programmes it seems reasonable to conclude that Chinese objections to Soviet aid activities are closely related to specific Chinese interests and objectives, rather than to any doctrinaire concept of the nature of world revolution. Specifically, Chinese criticisms of Soviet aid to India and the UAR probably arise from the fact that these neutralist countries are the major competitors of the Chinese for influence in the Afro-Asian world, although Chinese disapproval may well be reinforced by a consciousness of her own needs. This view receives some support from China's policy of distributing more than half her foreign aid in neighbouring Asian countries where the nature of the governments does not seem to have been an important consideration in the Chinese mind.

21. Thus, although the different Soviet and Chinese concepts of communist strategy in the non-communist world produce some differences in the emphasis and balance of their aid programmes, there does not seem to be an important conflict between the two states in this field. As long as neither country pushes its disagreement to the point of obstructing the other's efforts the two aid programmes will tend to complement one another.

22. Nevertheless, the fundamentally different concepts of the two regimes lead to some difference in practice, for example in Iraq and Latin America. This will remain a potential source of friction and as China becomes economically more powerful the opportunities for serious conflict and competition will increase.

23. Any assessment of the current state of Sino-Soviet economic relations must in the light of the foregoing, attempt the following:

- (a) to distinguish between the effects of current Chinese economic difficulties and the effects of Sino-Soviet political and ideological differences;
- (b) to balance the influence of China's need for assistance and its resentment of Soviet parsimony against its desire for economic and political independence; and
- (c) to weigh the wish of the Soviet Government not to disrupt the alliance completely against the temptation it must feel to use its economic power to bring the Chinese into line.

24. Obviously, all these factors and others interact in a very complex way so that any forecast has a larger than usual element of guesswork. The Chinese dilemma is to continue rapid economic progress without accepting Moscow's political hegemony. The Soviet Union must attempt to retain its leadership and exercise its power without splitting the alliance. In this situation there is a measure of economic interdependence which neither state is anxious to disavow but for the immediate future it seems that Sino-Soviet economic cooperation warrants no more enthusiastic description than "satisfactory", even from the Communists themselves.

SINO-SOVIET MILITARY RELATIONS

25. Sino-Soviet military cooperation which, up to 1956, had been one of the principal features of Sino-Soviet collaboration began to deteriorate in 1957 when the Russians are thought to have revealed to the Chinese their intention not to give them nuclear weapons. Although Soviet support in the military field has enabled China to become the leading indigenous power in Asia the Chinese probably feel that their prestige and their bargaining power vis-à-vis the United States could be greatly increased if more Soviet assistance were forthcoming. China, although able to produce some of its military equipment, continues to be heavily dependent of the Soviet Union as a source of modern arms and equipment, particularly nuclear weapons and their means of delivery. In the nuclear field this dependence will probably last for another three or four years.

Naval Forces

26. Soviet Naval assistance which had declined since 1956, was further reduced during the past year. This decline may in fact be the reason for the substantial reduction noted in Chinese naval

shipbuilding. However, it is believed the Chinese Government is now capable of continuing conventional naval building programmes unassisted.

Ground Forces

27. General - Historically the Soviet Union has played a significant part in the development of the Chinese Army. The Chinese Communist Party's first big opportunity to build its strength came in 1923, when Nationalist leader Sun Yat-sen, after his appeals for aid from the West had been rejected, accepted Soviet offers of military aid.

28. In return for this Soviet aid, the Nationalists agreed to cooperate with the Chinese Communist Party. The Communists actively participated in the programme of the new Whampoa Military Academy, which, upon Soviet recommendation, had been established in 1924 to furnish the Nationalist Army with a modern and politically indoctrinated officer corps. Many members of the PLA's present high command were either faculty members or students at Whampoa during the years 1924 to 1926. Through their connections with the Academy, the Communists were able to influence the assignments of Communist and pro-Communist graduates and thereby build up strong cadres of Communist officers in selected Nationalist units, commanded by sympathetic generals.

29. Following a break between the Nationalists and the Communists in 1927, Chinese Nationalist Army units, commanded by Communist and pro-Communist officers, revolted at Nanchang on 1 August 1927. This revolt marked the birth of the Chinese Communist Army. This army fought against the Nationalists in a desperate struggle to survive in the years 1927 to 1936, gained strength during the years of war with Japan from 1937 to 1945, and in the renewed civil war from 1946 to 1949 was able to drive the Nationalists from the mainland of China.

30. Soviet Military Missions - In February 1950 the Chinese Communists entered into a 30-year "Treaty of Friendship, Alliance and Mutual Assistance" with the Soviet Union, and by early March major contingents of the Soviet advisory missions began arriving in China.

31. The first ten years of alliance between China and Russia have brought considerable advantages to both countries. Russian support in the military field has enabled China to become the leading power in Asia with the largest army in the world. However, there have been some recent indications that Soviet military missions to China are being reduced or withdrawn. These changes can be attributed in part to the friction which exists between the two countries and also to the fact that the Soviet missions may have for the time being fulfilled their functions.

32. Soviet Arms for China - As a result of experience in Korea which revealed logistical and tactical weaknesses of the Chinese "human sea" type of warfare, with advisory missions and modern equipment from the Soviet Union, the Communists undertook a new programme, which reached its climax in 1953 and which had as its objective the formation of a well-equipped and a well-balanced army of younger, more physically fit and more politically reliable men. As the CCA had been essentially an infantry force, the new organization called for the creation of support elements such as artillery, armoured, engineer and signal units. These new organizations were formed around cadres provided by existing units and the Soviet Union furnished some of the instructors and most of the equipment from Second World War stocks.

33. Up to now the bulk of the weapons of the CCA has been of Soviet manufacture but the Chinese are now manufacturing an increasing quantity and variety of weapons themselves. They now make their own small arms, mortars, artillery, tanks and trucks. In the past, older Soviet designs have been copied and it seems probable that Chinese armament production will ultimately standardize on Soviet designed weapons. Some of the newer more complex conventional weapons continue to be imported from the USSR, but others, notably the T54 tank and the 152mm gun are now being produced in Chinese factories which previously manufactured older weapons.

34. In spite of some ideological differences between Chinese and Russian Communists, it is likely that in the event of a war with the West, if the Chinese require additional conventional weapons these would be supplied from existing obsolescent or obsolete Soviet stocks. Such Chinese weapon requirements would therefore not constitute a significant drain on current Soviet armament production.

Air Forces

35. The Chinese Communist Air Force (CCAF) and the Chinese Communist Naval Air Force (CCNAF) consist of about 2,700 aircraft, all of Russian design. With the exception of some FRESCO jet fighters produced in China, these aircraft were manufactured in the USSR. The two forces, originally organized and trained by the USSR, reached their present strength about 1958. Since that time, except for the possible delivery of a few FARMER jet fighters, there has been no apparent significant assistance from the Soviet Union and the strength of the CCAF and CCNAF has remained more or less static.

36. The following brief review of the various aircraft types on the CCAF and CCNAF order of battle illustrates their obsolescence and provides an indication of trends in military relations between China and the USSR.

37. Medium Bombers - China received approximately 20 BULL piston engine medium bombers in 1952/1953. Although this aircraft is now obsolete and was completely phased out of SAF service as a bomber over two years ago, it is still in operational use with the CCAF. To date, there has been no evidence that the Chinese have acquired a replacement for the worn-out BULLs. There has been speculation for some time that deliveries of BADGER jet medium bombers are impending or that their manufacture under licence by China is contemplated, however, neither possibility has materialized. Considering China's internal requirements, as well as her aspirations in South East Asia and her desire for recognition as a major power, it is logical to assume that she would wish to build up a strategic striking force and that BADGERS would be the choice for this purpose. The non-appearance of these aircraft in China, particularly in view of the recent deliveries to Indonesia, can be considered as either a result of, or as one of the causes of strained relations between the USSR and China.

38. Light Bombers - The strength of the Chinese light bomber force, some 450 BEAGLES and 150 BATs, has remained static for several years. Large numbers of obsolescent BEAGLES have become surplus to Soviet requirements as a result of the wholesale disbandment of the Tactical and Naval Aviation strike units, and it is obvious that the Russians could readily have replaced China's piston engine BATs and increased her jet light bomber force.

39. With respect to modernization, the Soviets are not re-equipping with newer light bombers, and it is assumed that their role is being taken over by short and medium range surface-to-surface missiles. There is no indication that such weapons are or soon will be supplied to China. The Chinese are left, therefore, with a light bomber striking force which is rapidly becoming obsolete. It can be assumed that they are by no means content with this situation.

40. Fighters - The Chinese have produced about 500 FRESCOs and are currently believed to be producing the more modern FARMER. Russian assistance in this field has been reasonably liberal, as the SAF itself is still equipped with large numbers of fighters inferior to the FARMER. However, here again, the USSR has agreed to supply Indonesia with new generation fighters, whereas there is as yet no indication that such aircraft will be supplied to China. Furthermore, the Chinese have not been provided with surface-to-air defensive missiles, although such weapons are extensively deployed in the USSR.

41. Other aspects of CCAF and CCNAF operations which may throw some light on Sino-Soviet military relations include radar equipment, training of air and ground crews, and aircraft production.

42. Radar - Although some of the newer, but not the newest, Soviet radars are being deployed in the more important areas of China, many of the EW/GCI radars used by the Chinese air surveillance and warning units are very old and inefficient. However, Soviet military assistance in this field is likely to continue and to improve as China is an essential link in the Soviet air defence system.

43. Training - CCAF and CCNAF air and ground training schools were originally formed and subsequently organized to a standard pattern with the assistance of Russian instructors. Russians were also attached to operational units for instructional duties. During the last few years, the number of Russian instructors in the schools and at operational bases has gradually declined to the point where the Chinese are now considered fully capable of conducting their own training programmes.

44. Aircraft Production - China's aircraft industry has developed to the point where it is believed that a number of factories are capable of producing air frames, engines and components. Substantial technological and material assistance continues to be provided by the USSR, Poland, Czechoslovakia and East Germany. Although the Chinese aircraft industry is known to produce FRESCOs and AN-2s under licence and to be fulfilling 25% of the country's peacetime requirements, Soviet assistance has not involved the most modern developments and it will be many years before China is capable of producing on her own aircraft comparable to those in the West or in the USSR.

45. It is apparent that the Russians are not providing the offensive aircraft which the Chinese probably believe they require. However, they have been fairly generous in the air defence field, though considerably less so than would be expected in a contiguous country which could be of value as a buffer. Reluctance to provide the Chinese with either the most modern aircraft and missiles or the technological assistance to produce them herself suggests that the USSR is attempting to control any possible Chinese aggressive tendencies in South East Asia by restricting her military air potential.

Nuclear Energy

46. In the nuclear energy field, although we know that the Russians have given some assistance to the Chinese we do not know the full extent and nature of the Sino-Soviet nuclear information exchange. The Russians have helped the Chinese since 1950 to mine their uranium resources. They are thought to have provided plans for a uranium metal plant and have given the Chinese a 10 MW reactor as well as 25 Mev cyclotron. Soviet nuclear scientists have lectured in China and approximately 400 Chinese students attended nuclear courses in Soviet universities. Soviet technology helped the Chinese establish a basic industry which will provide some of the raw materials for a nuclear programme, e.g., stainless steel, and uranium in different forms. We believe that China is now in a position to pursue her nuclear energy programme alone. In a few years, possibly three or four, China will probably have detonated nuclear devices and entered upon the production of nuclear weapons. Her complete dependence on the Soviet Union in this vital area will have been considerably reduced.

Guided Missiles

47. There are many indicators that the Soviet Union has assisted Communist China in establishing a guided missile test range. The rangehead is believed to be located in north central China near Chuang-Cheng Tze with the range itself extending westward for at least 450 n.ms. and possibly as much as 1000 n.ms. Firings have taken place on this range, possibly in early 1960. The missiles which were probably surface-to-surface, are reported to have been fired to ranges of about 100 n.ms. Those fired to date have probably been Soviet supplied "Scuds", estimated to have a maximum range of 150 n.ms.

48. Although the full extent of Soviet assistance is not known it seems clear that there has been at least sufficient assistance to enable Communist China to launch their own guided missile research and development programme. It is improbable that the Soviet Union will supply missiles of any greater range than "Scud" to Communist China and it will probably be some 3 or 4 years before they will be able to develop their own.

FAR EASTERN/C.J.SMALL/DS

DEPARTMENT OF EXTERNAL AFFAIRS

MEMORANDUM

TO: D.L. (2) Division

Security SECRET

Date October 24, 1961

FROM: Far Eastern Division

File No.
50028-B-40
7

REFERENCE: J.I.C. (61)51(Final) - 8th September 1961

SUBJECT: The Employment of the Sino-Soviet Bloc Merchant Fleets in Peace and War.

I regret that our comments did not reach you earlier, but you may wish to pass on or file the following, although it is a very minor point.

2. In the paper under reference, Paragraphs 15 and 25 in our opinion tend to underrate the importance of inland water transport. Admittedly, the railways are the chief means of transport, but inland junk traffic is extremely important in China. In addition, Paragraph 25 suggests that junks are not suitable for transportation of vehicles, guns or tanks. This is contrary to fact, since junks are frequently used in China and, indeed, in Hong Kong for the transport of heavy items including vehicles.

J. Small

Far Eastern Division.

D-2

OCT 25 1961

CIRCULATION

We told Jie that we had no comments before this was received. However as this is a minor point there is no need to pass it on

CSC 1860-2 (JIC)
CSC 1824-1 (JIC)



JOINT INTELLIGENCE COMMITTEE

SECRET

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Ottawa, Ontario
19 October, 1961.

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MEMORANDUM FOR THE JIC:

SOVIET INTERDICTION OF ALLIED COMMUNICATIONS

Reference: (a) Minutes of the 850th meeting of the JIC.

Enclosure: (1) draft letter to Maj.-Gen. L.de.M. Thuillier from the Secretary, JIC. OCT 20 1961

The letter at enclosure (1) is forwarded for clearance on a secretarial basis.

2. I would appreciate receiving your approval or comments not later than 25 October, 1961.

E.A. Blais
 (E.A. Blais)
 Major,
 Secretary.

WJ

Enc.

EAB/2-5459/cp

cc: JIS (2)
SO/JIR
SO/CI

I A F T.

CSC 1860-2 (JIC)
CSC 1824-1 (JIC)

S E C R E T

19 October, 1961.

Major-General L.de M. Thuillier, CB, OBE,
Coordinator of Communications Electronics Policy,
c/o Joint Intelligence Committee,
LONDON, England.

Dear

I refer to your letter 8/6/120 dated 26 September concerning certain proposals for a war game on the likely scale of enemy attack on allied communications.

The Joint Intelligence Committee feels that such a step would prove useful to the preparation of Part IV of the Study on Interdiction of Allied Communications and to this extent the JIC is willing to cooperate in any decision reached by your group and Dr. Karl Weber, which will contribute to the completion of this study. We visualize however, that this war game may take some time to complete and thus we do not anticipate that it would be possible to send representatives from Canada to participate on a full time basis. However, depending upon the nature of your ultimate decision we would request our representatives in London to cooperate in the preparation of Part IV and Part V of the Study.

I am sending a copy of this letter to Dr. Karl H. Weber in Washington.

Sincerely yours,

(E.A. Blais)
Major,
Secretary.

EXTRACT:

File on 50028-B-40

SECRET

MINUTES of 850th MEETING of JIC (18 Oct 61)

VIII. SOVIET INTERDICTION OF ALLIED COMMUNICATIONS

The Chairman recalled that at the previous meeting it was agreed to defer consideration of this item until today.

Dr. Martineau stated that his directorate had consulted with the Operations Research people and it was agreed that the present problem of trying to estimate realistically the weight and scale of enemy attack on tripartite transatlantic communications was one that could properly be handled by Operations Research. He pointed out, however, that although the present problem has an intelligence input it is not really an intelligence problem. Cdr. Willson agreed with this and stated that in connection with this particular problem a fairly comprehensive study of the factors involved should precede any war game.

Mr. Bowen pointed out that the problem faced by the producers of the paper on the Interdiction of Allied Communications is to determine the extent of the threat to strategic high level government communications across the Atlantic ocean and not on the extent of threat to the sum total of communications facilities. He felt that we should indicate in general terms our agreement to cooperate with whatever steps are agreed by the UK and US to resolve this problem and to proceed with the preparation of Part IV of the Study (An Assessment of Likely Effects).

The Committee

- (a) agreed with the suggestion made by Mr. Bowen; and
- (b) instructed the Secretary to draft a reply to General Thuillier for clearance on a secretarial basis.

DL(2)/R.M. Middleton/cmd

File

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SECRET

Ottawa, October 17, 1961.

Major E.A. Blais,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Ottawa, Canada.

The Employment of the Sino-Soviet
Bloc Merchant Fleets in Peace and War.

In reply to your letter of September 28
we wish to inform you that this Department has no
comments on UK JIC(61)51(Final) of September 8
entitled "The Employment of the Sino-Soviet Bloc
Merchant Fleets in Peace and War."

(Sgd.) G. K. GRANDE

J.K. Starnes,
Defence Liaison (2) Division.

50028-B-10

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SECRET

EXCERPT FROM MINUTES OF THE 849th
MEETING OF THE JOINT INTELLIGENCE
COMMITTEE HELD ON OCTOBER 11, 1961

IX. SOVIET INTERDICTION OF
ALLIED COMMUNICATIONS

(SECRET)

13. The Committee considered a memorandum from the Secretary which requested the JIC views on a UK JIC proposal for Canadian representation and participation in a War Game on the likely scale of enemy attack against allied communications and the preparation of Part V of the interdiction study.

(CSC 1860-2, CSC 1824-1 (JIC) of 3 Oct 61)

14. Mr. Bowen stated that he would be prepared to designate the JIBLO(L) as a JIB representative at the War Game. Mr. Eon stated that as there were several aspects to this problem which he would like to investigate further he would like consideration of this item to be deferred for one week.

15. The Committee agreed to this proposal and instructed the Secretary to place this item on the agenda for 18 October, 1961.

ACTION: Secretary

SECRET

J.K.S.



AXA

JOINT INTELLIGENCE COMMITTEE

CSC 1860-2 (JIC)
CSC 1824-1 (JIC)

S E C R E T

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Ottawa, Ontario
3 October, 1961.

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MEMORANDUM FOR THE JIC:

SOVIET INTERDICTION OF ALLIED COMMUNICATIONS

Enclosure: (1) 8/6/120 dated 26 September, 1961
from Maj.-Gen. L.de M. Thuillier

OCT 4 1961

Enclosure (1) should be read in conjunction with CSC 1860-2, CSC 1824-1 (JIC) of 18 January, 1960 which forwarded Canadian JIC comments on Part III, Deployment and Use of Soviet Capabilities (UK JIC (59) 54).

Wpk
A

2. Members will please note that we have been asked for our views on:

- (a) the UK proposal to conduct a War Game on the likely scale of enemy attack against Allied Communications;
- (b) acceptance for a Canadian delegation to assist in the preparation and playing of the War Game; and
- (c) preparation of Part V - Recommendations for Counter-measures-to take place following completion of the exercise.

3. The item will be considered at the meeting on 11 October, 1961 at which time members view on the three points above will be noted for use in the preparation of a reply to General Thuillier.

Enc.

EAB/2-5459/cp

cc: CJS
JIS (2)
SO/JIR
SO/CI

E.A. Blais
(E.A. Blais)
Major,
Secretary.

C O P Y

SECRET

From: Maj. Gen. L. de M. Thuillier, C.B., O.B.E., AMIEE

Ref: 8/6/120

26th September, 1961.

We have been engaged in the preparation of a draft paper for Part IV of our exercise and have come up against the difficulty of trying realistically to estimate the weight and scale of enemy attacks on our communications. As you know, according to our Terms of Reference (J.I.C.(59)54) we should assume that the Soviets would deploy all technical possible means against allied trans-atlantic communications. If we base the scale of enemy attack on this assumption, the effects on our communications may well be exaggerated. In consequence the countermeasures we should have to recommend in Part V of the exercise would probably be uneconomical and might not turn out to be even feasible.

2. The Canadian comments on Part III emphasizes that the various methods of assault are of widely varying operational difficulty and are therefore not all equally likely to be encountered. Furthermore, of course, it is possible that the enemy might reserve the use of some of the technical means at his disposal against communication targets other than those across the Atlantic.

3. It has become clear to us that a detailed operational study is necessary which should be aimed at making a realistic assumption of the scale of attack likely to be developed by the enemy and this in our opinion might be carried out in the form of a "War Game". We have discussed this proposal informally with the authority who normally runs our War Games and have been told that provided they were given a list of vital targets (our Part I) and an assessment of the threat (our Part II), the exercise could be the subject for War Gaming.

4. We believe that the best value from such a War Game would only be achieved if it was attended by representatives of the three countries. To that end therefore we would be prepared to run it and to invite teams to represent both yourselves and the Canadians to participate, both in the preparation and in the playing of the War Game. The size and complement of teams would have to be decided in due course. The presence of teams from each country in one place at the same time would also provide the opportunity to consider Part V of the exercise - Recommendations for Countermeasures. This would be a logical extension of the preparation of and agreement to, Part IV.

5. I would be grateful for your early views on this proposal..

6. A copy of this goes to the Secretary, JIC, Joint Staff, National Defence Headquarters, Ottawa, for their views.

Dr. Karl H. Weber,
Chairman of the United States Scientific Intelligence Committee.

File
To

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SECRET

Ottawa, October 3, 1961.

Your file: CSC 7-17
CSC 1322-1

Major E.A. Blais,
Secretary, Joint Intelligence Committee,
Department of National Defence,
Ottawa, Canada.

US NIE 11-4 -61, August 24, 1961
Main Trends in Soviet Capabilities
and Policies 1961-1966.

In reply to your letter of September 26,
I wish to inform you that the Department of External
Affairs has no comments on NIE 11-4-61 of August 24,
1961 entitled "Main Trends in Soviet Capabilities and
Policies 1961-1966".

John Starnes

J.K. Starnes,
Chairman
Joint Intelligence Committee.

4/1 FDG



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SECRET

JOINT INTELLIGENCE COMMITTEE

To see after circulation (Enclosure) SECRET -
 in DL(2)
~~European (Robert)~~
 Far East (Small)
 Latin American

CANADIAN EYES ONLY.

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Ottawa, Ontario
2 October, 1961

file.

RECENT TRENDS IN THE INTERNATIONAL COMMUNIST MOVEMENT

Enclosure: (1) CANADIAN JIC 413/2 (61) dated 20 September, 1961 on the above subject.

Enclosure (1) is forwarded for your retention and further distribution where indicated.

(Copy 13 - Mr. Starnes - Mr. Brule)

E.A. Blais
 (E.A. Blais)
 Major,
 Secretary.

(Copy 15 - Mr. Johnston)

Enc.

EAB/2-5459/cp

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CANADIAN JIC 413/2(61)
DATED: 20 September, 1961.

COPY NO. 14

RECENT TRENDS IN THE INTERNATIONAL
COMMUNIST MOVEMENT

OBJECT

1. To review significant trends in the international communist movement over the period 1960-1961.

CONCLUSIONS

2. The most significant development affecting the future direction of the world communist movement in the period under review is the Sino-Soviet ideological dispute which culminated in the November 1960 Meeting of 81 Communist Parties. Although it appears to have done little to alter basic Soviet policies, this dispute has weakened the commanding Soviet position in the movement. Its long term effect may well be the establishment of a dominant Chinese influence in the conduct of policies of some parties in the Far East and possibly, finally, if Sino-Soviet conflict in this field is protracted, the adoption of an attitude of independence of both Chinese and Soviet direction by some of the more powerful communist parties.
3. Combined with such other instruments of Soviet bloc foreign policy as may be suitable in the circumstances, a major effort has been made by the world communist movement to extend the influence of communists and communist parties in the neutral and less developed countries of Asia, Africa and Latin America through the tactic of supporting, in a "united front", those "bourgeois nationalist" leaders who are estimated to be amenable to communist influence.

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4. A survey of the progress of national communist parties indicates that the most important gains of long term significance made by communists and communist parties in the period under review have occurred in Cuba, Guinea, Indonesia, the Indo-Chinese peninsula, and Greece. The influence of local communists has declined markedly in Iraq and the Egyptian and Syrian regions of the U.A.R.

DISCUSSION

5. In the correspondence and meetings between communist parties in which the Sino-Soviet ideological dispute was discussed, in the November 1960 Moscow Declaration of Communist Parties, and especially in his Vienna talks with President Kennedy, Khrushchev has made it clear that he is aware of, and intends to exploit to the full, opportunities for the extension of communist influence in the neutral and less developed countries of Asia, Africa and Latin America notwithstanding any efforts he may make to achieve better relations with Washington.

6. While national communist parties will be used for carrying out these intentions their use has been, and will be governed in the predictable future, by certain limiting factors which should be borne in mind in estimating the likely projections of the trends surveyed in this paper. These are the consideration that:

- (a) local bids for power at the present time particularly in countries contiguous to the Sino-Soviet bloc, would present the Russians with an unacceptably dangerous commitment to defend the new satellite regime against internal or external pressures at the risk of military involvement with Western powers or other states;
- (b) such bids in areas not contiguous to the bloc countries would present the Soviet Union with the further problem of coping with national communist and revisionist tendencies which it would have great difficulty in surmounting; and
- (c) the establishment of openly communist regimes, whether in contiguous areas or not, will likely have the effect of stiffening opposition to Soviet foreign policy aims among neutralist leaders of neighbouring countries.

Trends observed in the activities of communist parties in 1960 and 1961 are attributable to a significant extent to the working of these three factors. Thus, while a number of communist parties have made substantial gains in strength and influence in Latin America as a direct consequence of the Cuban Revolution the expansion of their activities has been firmly contained and channelled by the Russians towards supporting non-communist "bourgeois nationalist" leaders. (A "case-history" describing the manner in which Soviet restraints have recently

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been brought to bear on the Communist Party of Ecuador is contained in the Annex to this paper entitled "Cuban and Communist Reactions to a Revolutionary Situation in Ecuador".) In the Middle East, where the strength of communist parties has declined significantly, the Soviet Union has shown that it is prepared to sacrifice local communists in the interest of its broader foreign policy aims. A fourth additional factor affecting the projection of these trends, which would appear to be of growing importance, is the position of China in the international communist movement. As China becomes stronger and seeks an accordingly more powerful position in the movement, differences about political strategy and the control of revolutionary movements are likely to have an unsettling and probably centrifugal effect on the movement's unity and will place an increasingly severe strain on the maintenance of its discipline.

7. Clearly the most important single development in the world communist movement in the course of the period under review is the Sino-Soviet ideological dispute and the enunciation of basic principles governing future activities of communist parties embodied in the Moscow 1960 Declaration which were drawn up as a consequence of the dispute. The net effect of this development, arising from the intrusion of China into the world communist movement as an independent and idiosyncratic communist country, will undoubtedly be to render complete control of individual communist parties more difficult to maintain and may, in the long run, induce some of the stronger communist parties to assert their independence of the disciplines of the movement.

The Sino-Soviet Ideological Dispute

8. It is convenient for the purposes of this study to mark a distinction between two main categories of the questions which have been at issue in the Sino-Soviet ideological dispute: between questions affecting the basic assumptions on which the strategy of world communism is based and those affecting the discipline and tactics of communist parties. The first series of questions bearing on the "current definition of the epoch", requiring an agreed assessment of the influence of the Sino-Soviet bloc on world affairs, the inevitability of war and prospects for the policy of peaceful co-existence, does not, except in the broadest sense come within the scope of this paper. The second category of questions, embracing bloc policy towards national liberation movements and the under-developed countries generally, the tactics of the communist parties of the West and the position of the Communist Party of the Soviet Union in the world communist movement has an obvious practical bearing on the future directions of the movement and accordingly will be examined in some detail below.

Policy towards National Liberation Movements and the Under-developed Countries

9. Prior to the November 1960 Moscow Conference of Communist Parties the division between the Soviet and Chinese views of the means by which communist influence was to be extended in Asia, Africa and Latin America was clearly marked. In the Russian view, to carry out the reduction and eventual elimination of Western influence in those areas, (the primary aim in the short run,) it was considered essential that communists and communist parties follow a self-effacing

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policy of cooperation with the bourgeois nationalist leaders in the newly independent countries and with the bourgeois elements in the countries which had not gained independence. The Chinese, on the other hand, pointing to the persecution of communists in Egypt, the declining communist influence in Iraq and the relatively slow progress of the powerful Indonesian and Indian Communist Parties, had urged that communists assume the leadership of the anti-colonial movement, by force if necessary, as soon as possible.

10. On the whole, the Moscow Statement of 81 Communist Parties of December 1960 upheld the Soviet view and might usefully be broken down to reveal the most significant direction of Soviet intentions in the under-developed countries in the following terms:

- (a) The Colonial Areas. The statement, on policy for the colonial countries, acknowledged that independence can be gained by armed struggle or by non-military means and leans slightly to the Chinese view by stressing the importance of the role of the working class and peasantry and by playing down the value of the help that can be expected from the national bourgeoisie. It guaranteed on behalf of the world communist movement "all moral and material support to peoples struggling for their liberation".
- (b) The Newly-Independent Countries. The Statement pointed out that the first danger facing the newly-independent countries lies in the efforts by the former colonial powers to resume their exploitation at one remove by economic manipulation, military treaties, and so forth. To counter this threat it was essential, the Statement pointed out, that a united front be formed in these countries designed to abolish foreign economic interests, to carry out agrarian and social reforms and to pursue a neutralist foreign policy which would provide for the development of economic and cultural contacts with the countries of the Sino-Soviet bloc. The terms on which communists may participate in the "united front" are loose enough to warrant the subordination of communist parties to the direction of bourgeois nationalist leaders.
- (c) The National Democracy. It is the goal of these activities to promote the establishment of a "national democracy" whose policies it would be to eliminate Western economic, political and military influence and allow local communists or communist parties to flourish until that stage is reached when the bourgeois nationalist leadership can safely be replaced by the machinery of a "Peoples' Democracy".

11. In numerous public declarations since the publication of the Moscow Statement the Chinese have made it clear that they are out of sympathy with the policy to subjugate communist parties to bourgeois nationalist leaders for the sake of the united front in the newly emerging "nationalist democracies". While they undoubtedly retain their misgivings, firm in their belief in the necessity for the communist seizure of leadership in the early stages of revolution,

there is no reason to believe that they are not, at the present time, cooperating fully with the Russians in promoting the policies described above towards the under-developed countries.

Tactics in the Developed Western Countries

12. The decisions emerging from the Conference of 17 Communist Parties held in Rome in November 1959 formed the base of the Chinese attack on Soviet policies for the parties in Western Europe throughout the course of the Sino-Soviet ideological dispute. At Rome the European communist parties stressed the correctness of the gradualist line leading to the peaceful accession to power by communist parties through cooperation with all elements of the social-democratic leftist forces. The Chinese rejected this tactic as opportunism describing it as an evasion of the key question of establishing a proletarian dictatorship and "smashing the existing state machinery".

13. In the Moscow Statement of December 1960 and in the glosses placed on it subsequently by both parties, the Soviet position was re-affirmed without serious challenge from the Chinese who presumably considered that communist tactics in the West were of only minor importance in comparison with those envisaged for the under-developed countries.

The Use of the International Communist Front Organizations

14. The difference of opinion on this question between the Chinese and as Khrushchev put it, the remainder of the world communist movement, was simple and clear-cut. It was the Chinese view that the international communist front organizations should have firm revolutionary aims to play a primary role in the anti-imperialist and pro-liberation struggles. Instead, the Chinese pointed out, the Russians were even bidding for the support of bourgeois pacifists and colonialists and using the front organizations as instruments of Soviet diplomacy.

15. This question was not resolved at the Moscow Conference. As described elsewhere in this review the international communist front groups have continued to work for as broad a base of public opinion as possible pushing revolutionary aims well into the background. There is no evidence that the Chinese have presented since, any more than token opposition to this policy.

The Leadership of the World Communist Movement

16. In the section of the Moscow Statement which dealt with this question concessions of more or less equal weight were made to both protagonists with one important exception which concerns the future policies for resolving differences in the movement and which may well have a far-reaching effect on the future ability of the Soviet Union to control the world communist movement.

17. Prior to the Conference, the Soviet Union had justified the policies forced by it upon other national communist parties by the principle of majority rule; in the course of the dispute with the Chinese throughout 1960 it had repeatedly invoked this principle and bitterly attacked the promotion by the Chinese of pro-Chinese factions in various communist parties, particularly in the Indian and Japanese Communist Parties.

18. The sections on unity and solidarity contained in the Moscow Statement seem to represent a serious setback to the Soviet view. They made no references to the principle of majority rule or to the dangers of "factionalism"; and the provision for further meetings at which urgent problems will be discussed and joint action coordinated has the net effect of bringing down the Soviet leadership to a position, if not of parity with the other parties, at least to a position of considerably reduced stature. Any such meetings held in the future may tend to undermine the Soviet position of dominance of the world communist movement to the advantage of the Chinese.

19. The immediate effect of the line taken by the Moscow Statement on these questions is to sanction continuing Chinese efforts to extend its influence among the Asian members of the bloc and in Asian Communist Parties outside the bloc. The long term effects may well be the establishment of a dominant Chinese influence over some Parties in the Far East and possibly finally, if Sino-Soviet conflict in this field is protracted, the adoption of an attitude of independence of both Chinese and Soviet direction by some of the more powerful communist parties.

The International Communist Front Organizations

20. The main lines of policy followed by the international communist front organizations have been directed to attracting as wide a segment of public opinion as possible in support of the Soviet position on the "test ban" and disarmament issues and in denunciation of Western "neo-colonialism". The former line has been directed largely, although not exclusively, to the industrially developed countries of the West and the latter to the less developed countries of Asia, Africa and Latin America and designed to reduce and eliminate Western political economic and military influence in these areas.

21. Two distinct trends of some importance have become apparent in the policies and conduct of these organizations which have served to make them more effective instruments of Soviet foreign policy -- particularly in the less developed countries of Asia, Africa and Latin America. These have been the tendency to:

- (a) break down the monolithic character of the front organizations into series of ostensibly autonomous regional organizations, which are able more plausibly to exploit local issues for communist purposes; and
- (b) create and maintain related front organizations whose links to the world communist movement are difficult and sometimes impossible for the ordinary voter to recognize.

The Orthodox "Front" Organizations

22. Among the traditional front organizations these trends have been particularly noticeable in the activities of the World Federation of Trade Unions (WFTU), the World Peace Council (WPC) and the World Federation of Democratic Youth (WFDY).

23. The World Federation of Trade Unions has made no serious effort to establish an openly affiliated branch of any significant strength in Africa south of the Sahara since 1957. It has however been partially successful in attaining a position of significant, but not necessarily decisive, influence in the projected All-African Trade Union Federation. This organization, whose establishment is being sponsored largely by the Guinean and Ghanaian Governments with the support of the Morroccans and Egyptians within the framework of the All African Peoples' Conference, is motivated primarily by Pan-African aspirations and is likely to become an important vehicle for the dissemination and implementation of the Pan-African ideal on a continental basis within the next two or three years. It is the policy of the World Federation of Trade Unions to induce the membership of this organization to cut all ties with the Western-oriented International Confederation of Free Trade Unions (ICFTU) without requiring or even wishing that it assume any overt ties with the WFTU. Although it does not appear to have been successful in effecting a complete break with the ICFTU it has however succeeded in placing officials sympathetic to its aims in key posts in the new Federation and to have placed itself in a position where the Federation may well become dependent on its resources for the financing of much of its activities.

24. Remarks concerning plans for the new Federation made at a plenary meeting in Cairo in March 1961 of the All-African Peoples' Conference indicated that consideration was also being given for the formation of pan-African federations of youth, farmers' and women's organizations. Should these plans be put into effect it is likely that the international communist front groups will succeed in achieving similar positions of influence in these organizations with the aid of pro-communist officials in the Secretariat of the All African Peoples' Conference.

25. The World Federation of Trade Unions probably sees a similar and perhaps more promising situation developing in Latin America. As in Africa, strenuous efforts are currently being made by the WFTU to promote the establishment of a Latin American Trade Union Federation which will not openly be associated with the WFTU and follow an ostensibly neutral policy on a programme of trade union unity and nationalism. Largely through the medium of the Cuban Confederation of Labour, meetings have been taking place since 1960 of various national trade unions in Cuba, Chile and Uruguay designed to lay down the outline of the new organization. Two further meetings are envisaged; one was to have taken place at Havana in late July 1961 and the final Continental Conference is scheduled to take place in Bolivia at the end of October 1961. At a minimum, components of the new Federation are likely to consist of trade unions from Cuba, Chile, Uruguay, Peru, Ecuador, Colombia and Costa Rica.

26. Plans are also thought to be underway for the establishment of a similar Latin American youth and student federation on the initiative of the Cuban Federation of University Students.

27. The Latin American Conference for National Sovereignty, Economic Emancipation and Peace held in Mexico City from March 5 - 8 is another example of the trend adopted by the international communist front organizations, in this case, the World Peace Council, towards the assumption of ostensibly neutral cover on a regional basis. This meeting was nominally convened by a representative Latin American committee having no immediately apparent communist association. In fact, however, it was financed and directed by the Prague International Institute of Peace of the World Peace Council.

The Crypto-Communist International Front Organizations

28. Insofar as it is not subject to absolute communist control, the Afro-Asian Peoples' Solidarity Council is not considered strictly speaking to be an international communist front organization. However, changes in the Secretariat of the Council which have taken place through 1960-1961 indicate that Egyptian influence, which has hitherto acted as an effective counterweight to Sino-Soviet pressures, has now declined to the point where communist influence has clearly become predominant.

29. At the Conakry meeting of the Council in early 1960 communists were in a minority on the Council's Secretariat. However, at the Bandung meeting of the Council in April 1961 they emerged with a clear majority, four of the eleven positions being occupied by open communists, six by either crypto- or pro-communists and one by an Egyptian. As a consequence the Egyptian delegation to the Bandung conference exerted little significant influence on the proceedings of the meeting which were largely devoted to the condemnation of Western "neo-colonial" influence in the under-developed areas.

30. It is possible that steps will be taken to enlarge the scope of the Afro-Asian Peoples' Solidarity Council to embrace Latin America.

31. In the course of 1960-1961 communists have organized a wide variety of ostensibly non-communist institutions of international scope and of a regional character which are likely to prove of increasing significance in attracting support from non-communists for Soviet foreign policy objectives. Noteworthy among these are the Greek Organization for Balkan Understanding and the European and Latin American Amnesty Committees for Spanish and Portuguese Political Prisoners and Exiles.

32. The first of these, "Balkan Understanding" is the creature of the Greek crypto-communist party, the United Democratic Left. In early 1961, its President succeeded in gaining the approval of the Greek Government for the holding of a Balkan Conference at Athens to which delegations would be invited from Albania, Bulgaria, Rumania, Yugoslavia and Turkey. While the main object of the Conference was intended to be the exploration of means of furthering technical and cultural cooperation, the main theme of the Conference, when it was held in April 1961, was the idea of the establishment of a missile-free zone in the Balkans and Adriatic.

33. The Permanent Latin American Committee for an Amnesty for Spanish and Portuguese Political Prisoners and Exiles was formed in Sao Paulo, Brazil in January 1960. In subsequent meetings in Buenos Aires, Montevideo and at the 1961 Paris meeting of the related

European organization it has become evident that this organization is controlled by communists. However, as this control has remained clandestine, and as its appeal has proved attractive to liberal democratic sentiment, the organization appears to have become increasingly successful in obtaining public support in Latin America and in Europe, thus laying the ground-work for communist participation in future opposition activities in the Iberian Peninsula.

The National Communist Parties

34. Europe. Of the four main European communist parties, the Italian, French, Finnish and Greek, the positions of the first two have shown some slight signs of improvement, the role of the Finnish Party appears relatively static and only the last seems to have any real grounds for hope of attaining a position of decisive influence in its country's government in the foreseeable future.

35. The Italian Communist Party, with a membership of some 1,500,000, remains the second largest political element in Italy, commanding the support of about one in every four Italian voters. While it has succeeded in increasing its influence in the Italian Socialist Party through the election of crypto-communists to key positions in the latter Party and through financial ties it has made no appreciable gains in the period under review.

36. The French Party received its most serious setback since the Second World War at the time of President De Gaulle's return to power in 1958 when it lost some thirty percent of its customary electoral following and ninety percent of its parliamentary seats in the new electoral laws which followed the President's return. Since that time, although it has partially recovered its membership losses, the possibility of the Party's achieving its primary objective of a formal alliance with non-communists in an effective popular front seems remote, barring the development of an extreme authoritarian regime in France.

37. The Greek Communist Party (KKE) was outlawed in 1947 and most of its leaders are in exile. Communists are, however, in effective control of the United Democratic Left Party (EDA) although this connection is usually denied and many non-communists hold positions in the Party. In the last general elections, which took place in 1958, the EDA gained an unexpected 25 percent of the popular vote (compared with an average of ten percent in previous elections) which resulted in its replacing the once powerful middle-of-the road Liberal Party as the principal opposition. The trend demonstrated in these elections towards a polarization between the right and the extreme left at the expense of the centre has continued to operate to the advantage of the EDA and has now reached the point where the latter, in the elections which are to take place in 1961 or 1962, is estimated to be able to command thirty-five percent of the popular vote if it were to stand alone and possibly a substantial majority should it succeed in establishing a Popular Front.

38. The latter possibility is being given active consideration by the EDA at the present time and steps are likely to be taken in the near future to form a "Progressive Democratic Party" with which the EDA will cooperate in a Popular Front under the possible leadership of Sofoklis Venizelos. In the event of an electoral victory under

these conditions it is likely that it will be the policy of the EDA to press for a neutral foreign policy for Greece entailing the support by Greece of a policy of "pacification" and co-existence in the Balkans with a view to the ultimate neutralization of the whole area. An EDA leader has recently indicated that his Party would avoid raising the question of Greek membership in NATO or the neutralization of the country during the electoral period, intending it be understood that, at least for the time being, no objections would be raised to Greek membership in NATO for purely defensive purposes.

39. Middle East. In the UAR, communist groups in Egypt, harassed by the police and weakened by personal rivalries, have been almost completely eliminated as a serious potential political influence; in Syria while the Communist Party has retained a viable under-ground organization it has little strength in terms of power and influence and is obliged to await such changes in Syria as may produce conditions more favourable to its growth.

40. The Iraqi Communist Party (ITTIHAD ASH SHA'AB Party) has suffered a similar decline from its almost pre-eminent position vis-a-vis Kassim after the July 1958 coup d'etat. While remaining organizationally sound and a force of potential significance its further expansion has been effectively paralysed and it has little prospect of improving its position in the near future. However, should Kassim fall in the near future, the prospects for gaining a decisive role in the Government would likely be better than those prevailing at any time since the July 1958 coup.

41. Africa. In recognition of the social structure and authoritarian one-party nature of most of the African states the Soviet Union has made no serious effort to encourage the formation of communist parties in this area. With the basic objective of establishing, wherever possible, a presence which may provide a pole of attraction for anti-Western political forces, it is communist policy to enlist support for Sino-Soviet aims among persons holding key positions in government, through extensive information activity and through the conclusion of trade and technical assistance agreements.

42. These policies have been conspicuously successful in Guinea and, to a lesser extent in Ghana and Mali, where the long-term effect of communist influence in the government structures, combined with the results of improving state-to-state relations is likely to be an increasingly important factor in inducing the adoption by these countries of foreign policies sympathetic to, but remaining independent of, those of the Sino-Soviet bloc. Elsewhere in Africa, these policies appear, in the short run at least, to have reasonable prospects for success in the current bloc support being given to nationalist leaders of Portuguese Guinea, Angola and to opposition leaders in Somalia.

43. The Far East. The activities of the Communist Party of India during the period under Review have shown no signs that it is likely to become a major influence in the central government in the near future. Its prestige has suffered from the border disputes with China which have supplied a rally-point for non-communist groups in India. However, communists, in spite of these developments, have continued to gain strength in the trade unions and in some States, notably Bengal and Andhra Pradesh, and, although they lost the recent elections in Kerala, they increased their vote in that state by 900,000 compared with the Congress Party's increase of 500,000.

44. Sino-Soviet bloc policy towards India was a cardinal point at issue in the ideological dispute discussed earlier in this paper and this issue continues to be reflected in differences arising from time to time between those elements of the leadership of the Indian Communist Party who owe their allegiance to the Russians and those who have come under the influence of the Chinese. The latter, who have consistently urged a more militant policy of opposition to the Indian Government, are clearly in the minority and it appears probable therefore that the Indian Party will be satisfied to maintain its steady but slow growth rate in the expectation that, following Nehru's death, the Congress Party will become even more deeply involved in factional disputes and, as a party, prove less able to withstand totalitarian pressures from the left and the right.

45. In Indonesia, the Communist Party appears without doubt to be the best led and most unified of all the Indonesian political parties. With the introduction of "Guided Democracy", opportunities for the exercise of direct communist influence on the Indonesian Government have continued to grow, but at a significantly slower pace, during the period under review. The growth of influence of left-wing politicians in the Government and of communists and communist sympathizers in important political and administrative positions (but not yet in the Cabinet) appears to have been retarded but not entirely arrested by the conservative influence of the army and by the Party's recognition of the fact that it owes its continued existence to its identification in the public mind with President Sukarno and his policies. Although the army remains the main obstacle to further increases in communist power and influence in Indonesia, its leaders, unwilling to risk an open conflict with the President, are unlikely to try to suppress the Party completely or to attempt to establish a military dictatorship.

46. The Indonesian Communist Party appears likely, within the foreseeable future, to be able to dominate many of the local administrations and could well emerge, at the next general elections, as the strongest single party in Java with a substantial representation in and influence over the Indonesian Government. The further extension of its influence into the highest levels of Government will, however, be sharply circumscribed by its continuing need to support President Sukarno who would not hesitate to take action against the Party if he considered it threatened his position. Conversely, the Party does not appear likely, for some time to come, to enjoy sufficient strength vis-a-vis the army to risk giving him reason for doing so.

47. While remaining a force of only marginal significance in Japanese political life the Communist Party of Japan has made important advances in the period under review. In the November 1960 elections, the Communist Party increased its strength in the Lower House from one to three seats and received 2.9 percent of the popular vote, an increase of 14 percent over 1958. Party membership is now estimated in the neighbourhood of 80,000 to 100,000, an increase of some 30,000 over the past three years.

48. However, its principal advances are considered to have been made over the past two years in its pursuit of united front tactics through which it has increasingly come to be accepted as a partner in joint action with left-wing groups. It has been particularly successful in co-operating and identifying itself in the public mind with the Japan Socialist Party and the left-wing labour federation, Sohyo, through participation in the Kokumin Kaigi (Peoples' Council

against Revision of the US-Japan Security Treaty). While the latter organization was unsuccessful in preventing the US-Japan Security Treaty from coming into effect, its activities were, in large measure, responsible for causing the Japanese Government to request the cancellation of President Eisenhower's visit to Japan and for compelling Prime Minister Kishi to resign in July 1960.

49. The Indo-Chinese scene is dominated by the clear military threat posed by the communist movements known as the Viet-Cong in Vietnam and the Pathet Lao in Laos. The Viet-Cong is under the direct control of the North Vietnamese Communist Party (the Lao Dong Workers' Party). The Pathet Lao appears to be a loose organization which includes Nationalists as well as Communists. In ideology and leadership it is, however, under the influence of the Laotian Communist Party (Phak Khon Ngan) which was formed in 1952 as a section of the Communist Party of Indo-China. The left wing in Laos has always worked in close liaison with the Vietnamese Communists, and the Laotian left can generally be said to stand in relation to the Vietnamese Communists in somewhat the same relationship as the Vietnamese Communists to the Chinese Communist Party. This is not to indicate, however, that the Indo-Chinese communist movement is entirely subjected to Chinese influence. In the period between the two World Wars, communists in South-east Asia looked westwards to the Communist parties of the Netherlands, France and Great Britain for help and guidance (and through these parties to Moscow), rather than eastwards to the Chinese communists, who had suffered a serious defeat at the hands of the Kuomintang in 1927 and had been forced into a remote territory in China cut off from the outside world. The Russians appear to have approved this subordination of the Southeast Asian local Parties to the European Parties, and, in fact, to have considered Southeast Asia as part of Europe for the purposes of the Revolution.

50. When in 1947 it became clear that control of Southeast Asia was no longer possible through Europe, the Russians changed their tactics and organized opposition to the non-communist Nationalist Governments which had emerged in the region. The communist Chinese seem to have kept in the background during this immediate post-war period. But following their victory in 1949, their tactics of guerrilla warfare and political action conducted from bases in isolated rural areas were adopted, with the approval of the Soviet Union, by the communist parties of the colonial and semi-colonial territories, and more specially by the Indo-Chinese Communist Party. This aggressive policy, which led to the defeat of the French in 1954, had aroused deep fears of Chinese expansion elsewhere in Southeast Asia and it became clear that it was now wiser for the Sino-Soviet bloc to conciliate rather than oppose the local nationalist governments. The doctrine of "peaceful co-existence" was therefore proclaimed. The Bandung Conference was held. Aid was offered and cultural exchanges initiated. China took the leading role in this new policy. It can at least be said to have stood on equal terms with the Soviet Union in the Southeast Asian area during the "co-existence era". This was the period when the Hanoi regime was also exercising caution in Vietnam in the hope of winning over the southern zone through the general elections provided for July 1956 in the Geneva Agreements. But by 1957-58 it had become evident that general elections would not be held. The policy of direct military intervention was embarked upon. Guerrilla activity was increased, and in the course of 1960, the Viet-Cong and Pathet Lao threat had materialized.

SECRET
CANADIAN EYES ONLY

51. These aggressive moves of the Viet-Cong and Pathet Lao seem to have been inspired by the Communist Chinese themselves and the pro-Chinese element in the Lao Dong Party, and pursued over the objections of the Soviet Union and their Vietnamese supporters who were, outwardly at least, in favour of a detente with the West. Communist China would therefore appear to be pressing for an activist policy in Indo-China. The Soviet Union seems, however, determined to prevent this policy from being carried out to the danger point and has recently taken steps to assert its leadership as exemplified by its airlift to Laos in support of the Pathet Lao. As a result of this intervention, it is in a better bargaining position vis-a-vis China regarding the terms on which a Laotian settlement could be arranged.

52. The North Vietnamese, for their part, remain extremely conscious of their dangerous propinquity to China. Their chief hope of preserving a degree of independence within the communist bloc is through their retaining strong links with the Soviet Union and the European satellites in order to offset in some measure the overshadowing Chinese presence.

53. The Communist Parties of Cambodia, Burma and Thailand have kept very much in the background since 1954. Peking no doubt continues to feel that it has more to gain through co-operation with the nationalist governments of these countries than through open opposition to them. Future communist policies may be strongly influenced, however, by the outcome of the current Geneva Conference on Laos, and there is considerable fear, especially in Thailand, that the result will encourage rather than discourage the further extension of communist influence in the remainder of the Indo-Chinese peninsula.

54. Latin America. Encouraged by recent developments in Cuba and the effect of the Cuban Revolution elsewhere in Latin America, the Soviet Union has come to consider this area as a major theatre of action in which long-standing United States diplomatic, political and military influence has proved increasingly vulnerable.

55. Although arousing increasing suspicion among Latin American government leaders, who have recognized it as a threat to their own stability, the Cuban Revolution has obviously evoked a strong emotional appeal in most countries of the hemisphere, in all of which is shared, in varying degrees, the anti-Americanism expressed by Castro and an appreciation of the need for agrarian and social reforms along the lines pursued by the Cuban Government. Since he attained power in January 1959, Castro has shown a sustained determination to give active support to the promotion of similar social and economic revolutions throughout Latin America. The Sino-Soviet bloc, largely through the communist party of Cuba, has thus been placed in a position to exploit numerous opportunities, without becoming directly committed, to extend communist influence in Latin America through the agency of the Cuban Government.

Communist Party of Cuba has been attached to the revolution and is successful with

56. While remaining the only effective political body in Cuba, the Cuban Communist Party, the Popular Socialist Party, continues to eschew any official role in the Government and has taken care to avoid giving the impression that it is seeking power for itself. The Party's strength is estimated to be a little over 20,000, with the addition of probably a large number not holding party cards who have been instructed to conceal their affiliation. Although the Popular Socialist Party has remained unobtrusive and seems unwilling

to present any challenge to Castro's authority or to press for formal participation in the Government, members of the Party have become firmly entrenched in key positions of the Government where they can play a major part in influencing the course of the Government's policy.

57. The Cuban communists recognize that Castro is neither communist nor likely to be susceptible to direction from any foreign source. They have succeeded, however, to a significant extent in utilizing the community of interest which exists between Castro's revolutionary views and bloc policy in Latin America for the purpose of assisting other communist parties and allied left-wing groups to reduce and eventually to eliminate United States influence in Latin America.

58. These activities have been carried out through contacts abroad made by members of the Cuban Communist Party and through contacts between agencies of the Cuban Government and left-wing and communist leaders elsewhere in Latin America. The principal tangible results of these activities have been the inauguration of a training school in Havana for Latin American communist students, the establishment of a wide variety of "Committees for the Defence of the Cuban Revolution" under the control of local communists and left-wing leaders in most of the countries of Latin America, the provision of advice, financial aid on a large scale, and in some cases, arms, to potential left-wing revolutionary groups and the intensification of the flow of communist and Cuban revolutionary propaganda throughout Latin America through the medium of the Cuban Government-controlled press agency, PRENSA LATINA.

59. These activities have had the dual effect on the one hand of emphasizing to public opinion in Latin America generally the beneficial effects of the Revolution in Cuba and the desirability of its application abroad and, on the other, of providing communist parties with a popular platform demanding backing for the Cuban Revolution which has enabled them to make a common front with a substantial block of left-wing but non-communist opinion. Of the Latin American Communist Parties which have benefited by this development, the relatively weaker Ecuadorean and Colombian Parties appear to have derived greater advantages than most.

60. In the Annex to this paper an account is given of the manner in which the Communist Party of Ecuador has recently submerged its identity in subordinating itself to a left-wing but non-communist political leader evidently in accordance with the co-ordinated instructions of the Cuban Government and the leaders of the world communist movement.

61. A similar development is believed to have taken place in Colombia in which the Communist Party has allied itself with the leftist Cuban-supported Revolutionary Liberal Movement. As a consequence of this arrangement and of the general impact of the Cuban Revolution the Colombian Communist Party has made substantial progress in extending its influence in the Legislative House, the universities, the trade unions and among the peasants.

ANNEX TO

CANADIAN JIC 413/2 (61)
DATED: 20 September, 1961.

SECRET
CANADIAN EYES ONLY

CUBAN AND COMMUNIST REACTIONS TO A
REVOLUTIONARY SITUATION IN ECUADOR

1. An important element of the Sino-Soviet ideological dispute which was not entirely resolved by the Moscow statement of December 1960 was the attitude of the world communist movement to the less developed and newly-independent countries suffering from economic manipulation by the "colonial exploitation of the imperialist states". According to the Statement these countries were only to be freed by a "resolute struggle" through a united front consisting of communist participation under a bourgeois nationalist leadership designed to establish a "nationalist democracy" which would be in a position to strengthen political and economic independence and to pursue a neutralist foreign policy. The "Nationalist Democracy" envisaged in the Statement was regarded as a necessary step on the road to integration in the world communist movement: although neutral, it would eliminate Western political, economic and military influence and permit local communists to build up sufficient strength to assume the direction of government at an appropriate time in the future. Cuba was obviously regarded as fitting this concept of a "national democracy".

the government
2. This view was not accepted by the Chinese without some reservations. While the Russians considered that a "national democracy" should be headed by a bourgeois nationalist susceptible to communist influence, the Chinese have held that such states should be under complete communist control. Accordingly although the Chinese subscribed to the Statement's definitions of the means by which "national democracies" are to be attained the Statement made an obvious concession to their point of view by stressing the unstable and untrustworthy character of the national bourgeoisie in the colonial and newly-independent countries.

3. In March 1961 the Soviet concept of the new "national democracy" was imposed on the Communist Party of Ecuador, following a visit by one of its leaders to the U.S.S.R. and China, in circumstances which suggest the closest possible cooperation of the Cuban Government with the world communist movement in promoting the latter's aims in Latin America.

4. The Communist Party of Ecuador has a relatively small membership of somewhere between 4,000 and 6,000 but is well disciplined and organized and enjoys considerable support among the intellectuals, in the rural areas, and in some quarters of the Government. At the end of 1960, three months after the election of President Velasco, it was committed to a militant revolutionary policy designed to exploit the country's growing awareness of the need for agrarian reforms. However, in spite of the fact that this policy had been pursued with such success that the Party had grown to represent an important threat to the security of Velasco's regime, the Party's policy had changed in the course of the first three months of 1961 to one of cautious support for Velasco under the leadership of a non-communist, Manuel Araujo.

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5. The theory of gaining power through revolutionary or insurrectionary action became the official line of the Ecuadorean Communist Party in 1959. At a Party congress held in Quito in October 1959, where this line was made official, members were told that there was a political and economic crisis in Ecuador which was expected to give rise to revolutionary ferment through all strata of society. The revolution which was to come, they were told, was to be led by the Communist Party of Ecuador through the exploitation of the peasant/Indian agrarian problems, urban unrest and the students.

6. Subsequent events have not been out of line with this prognosis. Student and peasant demonstrations, in which the Communist Party is thought to have played a leading part, have become increasingly frequent since President Velasco's accession in September 1960 and popular feeling has obviously grown increasingly appreciative of the Cuban example in the field of agrarian reform and increasingly resentful of real and imagined ties of the Velasco regime with the United States Government.

7. The Cuban Government has not been slow to take a hand in this situation. It is believed to have distributed large quantities of revolutionary propaganda to the Ecuadorean Communist Party and to youth groups in Ecuador through the Cuban Embassy in Quito, to have provided training for Ecuadorean communists in Cuba and to have offered arms to communist revolutionary groups in Ecuador. Finally, in early January 1961, it invited to Cuba a prominent Ecuadorean political personality, Manuel Araujo Hidalgo.

8. Araujo had been, for a brief period after the accession to power of the Velasco regime, successively President of the Chamber of Deputies and Minister of Government and, although holding no official position at the present time, remains in close contact with and is believed to exert considerable influence on President Velasco. He is a demagogue, well known throughout the country, anti-American, and a fervent admirer of Fidel Castro. He is not believed to be a communist.

9. His visit to Cuba was clearly regarded as a matter of some importance by the Cuban Government. Three days before his departure for Cuba on January 28 he was preceded by the Cuban Charge d'Affaires in Quito whose main purpose appears to have been to assist the Cuban Government in making arrangements for Araujo's visit. The Cuban Charge, on his return to Cuba in early February, informed members of the Ecuadorean Communist Party that Cuba's invitation to Araujo had been extended in order to assist the latter in obtaining Cuban mediation in establishing contact with the Soviet Embassy in Havana for the purpose of making arrangements for Soviet aid in arms and money for Ecuador.

10. Reports are conflicting about the nature of the offer which actually appears to have been made to Araujo on his trip. One Ecuadorean communist is reliably reported to have announced to his associates that Araujo had received an offer from the Cuban Government of a \$20 million loan at 2% interest for twenty years and to have expressed the opinion that the money would come from the USSR through a Cuban bank ostensibly as a loan from the Cuban Government. Araujo himself is reported to have said on his return that he carried a written proposal for Velasco from the Soviet Embassy in Havana promising "anything asked with no strings attached". Araujo also gave details of talks he had with "Che" Guevara in which the latter had given advice about the conduct of revolutionary operations.

11. Shortly before his departure for Cuba leaders of the Ecuadorean Communist Party began to express their uneasiness at what they regarded as Cuban plans to make a revolutionary leader of Araujo, one of them remarking that a mass movement based on Araujo and with Cuban inspiration could seriously damage or replace the work of the Communist Party of Ecuador. Early in February, the Ecuadorian communists took this matter up with the Cuban Charge d'Affaires in Quito expressing strong disapproval of Cuban interference in the affairs of the Ecuadorean Communist Party and the Ecuadorean peasant movement and point out that the proposed Soviet aid would put a complete stop to revolutionary development in Ecuador. However the Cuban made it clear that it was the policy of his Government to oppose any violent overthrow of the Velasco regime and he recommended that the communists mobilize the peasants in support of Velasco.

12. This policy was confirmed by the Ecuadorean Communist Party leader, Jorge Arellano, in mid-January in talks with local communist leaders. Arellano had at that time just returned from an extended visit to the Soviet Union and China having spent several weeks in the latter country studying the Chinese revolution and having been exposed to Chinese views on revolutionary tactics in Latin America. His views undoubtedly reflected the up-to-date advice of the central authorities in the world communist movement. He stressed that although conditions appeared to favour insurrection it was advisable at the present time to support Araujo and Velasco suggesting that the Party had not yet reached a sufficiently advanced level to occupy the seat of Government.

13. In mid-March the Communist Party of Ecuador appears to have been brought firmly and finally into line when Araujo called a meeting of communist leaders in Quito. At this meeting he made it clear that he held the leadership of the revolutionary movement in Ecuador adding however that the fundamental force of the revolution remained the Ecuadorean Communist Party backed by other left-wing elements in the country. He put forward plans for the formation of a clandestine revolutionary organization and submitted that it was to be the policy of this organization to support the present regime against threats to its security from rightist elements in the country as long as Velasco continues to favour closer relations with the Soviet bloc. Araujo's views appear to have been accepted without reservation by the communists.

Date of Annex: 10 May, 1961.

CSC 7-17 (JIC)
CSC 1322-1 (JIC)



JOINT INTELLIGENCE COMMITTEE

RESTRICTED
(Enclosure SECRET)

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Ottawa, Ontario
21 September, 1961. *g 77*

MEMORANDUM FOR THE JIC:

AVAILABILITY OF INFORMATION ON
SOVIET NUCLEAR TESTING

- Enclosures: (1) letter dated 13 September, 1961 to Mr. J.K. Starnes from Mr. G.C. Cook
- (2) letter dated 11 September, 1961 to Mr. H. Larnder, Deputy Defence Research Member, Canadian Joint Staff, Washington from Mr. G. C. Cook,

The above enclosures are forwarded for your information.

E.A. Blais
(E.A. Blais)
Major,
Secretary.

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C O P Y

S E C R E T

CANADIAN EMBASSY

Washington, September 13, 1961

Dear John,

Availability of Information on Soviet Nuclear Testing

As you perhaps know, the Chairman and members of the Joint Staff here have a regular weekly meeting, at which I appear to present a briefing on current intelligence. At last Monday's meeting Harold Larnder raised the question of the availability here of information on the Soviet nuclear test programme, saying that he had heard that DSI in Ottawa was under the impression that the Americans were being slow in providing relevant information to Canadian representatives. Larnder said that he did not share this belief and I explained that, on the contrary, my experience had been that our United States colleagues had been most helpful in this direction. After some discussion, A/V/M Hendrick said that he thought that Ottawa should be disabused of this notion, and asked that Larnder prepare, in consultation with me, a letter for his signature.

1 Attached is a copy of a memorandum which I subsequently prepared for Larnder. I understand that a letter will in fact go forward in due course from CJS(W) to NDHQ, stressing that in the experience of all concerned here, U.S. officials have been most cooperative in this matter. To whom this letter will be addressed I do not know.

While this of course does not directly concern our Department, I thought you would be interested, at least, in learning my impressions of the manner in which information on this subject has been made available to us. As you will see from the attached memorandum, I do not feel that we have any ground for complaint.

One thought has, however, occurred to me. While, as I have suggested, the release of information since the event has been quite satisfactory, as far as I am aware we do not seem to have been informed of the American view, which has been developing apparently over the past six months, that it was almost certain that the Soviets were preparing to resume testing. As was noted in my telegram WX 2062 of September 7, as early as March of this year the Americans began to conclude that the Soviets were probably preparing a new series and by May had so advised the policy makers. Were we ever informed, through intelligence or other channels, of this probability? I do not remember having seen anything specific on this, although it was of course generally assumed that, since the Soviets were displaying so little interest at Geneva, they probably intended to continue with their programme at some indefinite future date. As I recall, the question over the past few months has not been whether the Soviets were preparing to resume testing, but whether they had in fact been testing, clandestinely, all along.

J.K. Starnes, Esq.,
Chairman, JIC,
Defence Liaison (2) Division,
Department of External Affairs,
Ottawa, Canada.

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I should be grateful to learn, in due course, if we had or had not been informed by the United States of the intelligence indications, which they now describe to us, that the Soviets were in fact preparing a new test series.

Yours sincerely,

(sgd) G.C. Cook

C O P Y

COPY FOR CHAIRMAN, JIC

S E C R E T

Washington, September 11, 1961

MEMORANDUM FOR MR. HAROLD LARNDER,
Deputy Defence Research Member,
Canadian Joint Staff,
Washington, D.C.

Availability of Information on Soviet Nuclear Testing

Further to the discussion of this subject at this morning's Members meeting, when it was suggested that certain quarters in Ottawa had expressed displeasure of alleged slowness on the part of the U.S. authorities concerned in making available to Canadian representatives information relevant to the Soviet resumption of nuclear testing, the following may be of interest.

The first intimation I received that a resumption of testing might be imminent was at a regular meeting of CIA officials on Tuesday, August 29. At this meeting it was indicated that certain Soviet activity, reminiscent of the 1958 pattern of Soviet actions prior to a nuclear test series, had been noted during the previous few days. This was coupled with the unpromising line taken by the Soviet representative, Tsarapkin, at the Geneva test ban meeting on the previous day. This information was despatched to the JIC in a message which left the Embassy at 1730 hours EDT on the same day, August 29 (WX 444).

The Soviet announcement of intent to resume testing was on 30 August. On 31 August, the Joint Atomic Energy Intelligence Committee issued a statement concerning the Soviet announcement. This statement was despatched to the JIC in an operational immediate message which left the Embassy at 1305 hours EDT on the same day, 31 August (WX 447). In addition, on 31 August the Soviet decision to resume testing was discussed by myself with the appropriate officials of CIA, principally the Chief of the Soviet Foreign Policy Branch of the Office of Current Intelligence. The results of this discussion were telegraphed to the JIC on the same day, August 31, in an operational immediate message which left the Embassy at 1730 hours EDT (WX 2060).

The first test explosion of the new Soviet series took place, of course, on 1 September. As you know, the fact that this had occurred was first brought to my attention by Mr. Koop of your staff, who, I believe, had been in touch with AFTAC. He telephoned me, if I remember correctly, about 3 p.m. I immediately got in touch with my own contacts in the Central Intelligence Agency, who told me that if I would come to see them in about one hour they would have some information for me. At 4 p.m. I received, just one hour and a half after its issue at 2.30 that afternoon, a copy of the statement by the Joint Atomic Energy Intelligence Committee, concerning the test. This was telegraphed to the JIC in an operational immediate message which left the Embassy at 1706 hours EDT, the same day, September 1 (WX 2061).

Statements by the Joint Atomic Energy Intelligence Committee, issued on the occasion of each subsequent test of the current series, have without fail been provided promptly, and have of course been despatched to the JIC without delay.

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S E C R E T

In addition, on 7 September the United States Intelligence Board completed approval of a Special National Intelligence Estimate entitled, "Implications of the Soviet Resumption of Nuclear Testing". Normally, we receive such National Intelligence Estimates some two weeks after their approval by USIB. In this instance, however, a special effort was made and an advance copy was made available to me in less than 24 hours. The text of this Estimate was telegraphed to the JIC immediately, in a message that left the Embassy at 1651 hours on 8 September (WX 2063).

All of the above messages have, as you know, been readily available to all concerned in Ottawa through the 24-hour a day facilities of the Joint Indications Room.

As the foregoing will indicate, my experience has been that our United States colleagues have been very prompt indeed in making the relevant information available to us.

(sgd) Geoffrey C. Cook
First Secretary and
JIC Liaison Officer.



JOINT INTELLIGENCE COMMITTEE

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SECRET

CSC 7-17 (JIC)
CSC 1824-1 (JIC)

876

20 September, 1961.

Ottawa, Ontario

MEMORANDUM FOR THE JIC:

THE 1960 MOSCOW COMMUNIST PARTY CONFERENCE
AND THE SINO-SOVIET DISPUTE IN THE LIGHT OF
RECENT EVIDENCE PARTICULARLY SECRET MATERIAL

Reference: (a) CSC 7-17, CSC 1824-1 (JIC) of 28 Aug 61

Enclosure: (1) Canadian JIC comments on UK JIC(61)27
(Final) of 4 August, 1961 on the above
subject.

Enclosure (1) is forwarded for your information.

Enc.

EAB/2-5459/1c

cc: JIS (2)
SO/JIR
SO/CI
JICLO(L) (for your personal information only)

E.A. Blais
(E.A. Blais)
Major,
Secretary.

*→ to Mr Johnston
for consideration
and any action
that you may see fit*

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SECRET

CSC 7-17 (JIC)
CSC 1824-1 (JIC)

20 September, 1961.

Comments on UK JIC(61)27 (Final) of 4 August, 1961.
"The 1960 Moscow Communist Party Conference and the
Sino-Soviet Dispute in the Light of Recent Evidence
Particularly Secret Material"

DAI: "This paper has been somewhat outdated by events, however, DAI has the following comments to offer."

- (a) "Part 3 tends to over-emphasize the differences between Communist China and the USSR. DAI has no evidence to indicate that Sino-Soviet differences have produced or will produce in the near future a situation advantageous to the West."
- (b) "Part IV, B para 38(b) & (e) are questionable. We are not aware of any development that would cause the USSR to pay more attention to China than heretofore, nor of any reason why the ChiComs might reject close collaboration."
- (c) "Part IV E para 46(c). We are not aware of any evidence indicating that Chinese pressure may have contributed to the current Berlin situation."

XA, DMI, DNI, JIB, DSI, CB NRC, RCMP: Nil returns.

Circulated for Information.

SECRET

EXCERPT FROM MINUTS OF THE 845th MEETING
JOINT INTELLIGENCE COMMITTEE HELD
ON SEPTEMBER 20, 1961

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XX. SOVIET NUCLEAR TESTING
AVAILABILITY OF INFORMATION

(SECRET)

35. The Chairman stated that the Secretary would be circulating a memorandum from the JICLO(W) together with a memorandum from the JICLO(W) to the DRB Member of the CJS (W), for the information of members.

(CSC 7-17 (JIC))

36. Mr. Eon then explained the background which lead to this exchange of correspondence and stated that he wished to make clear that DSI is having no difficulty in obtaining advanced information from US sources and, in fact, no dissatisfaction exists.

37. The Committee noted Mr. Eon's remarks.

SECRET

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CONFIDENTIAL

EXCERPTS FROM THE 842nd
MEETING OF THE JOINT INTELLIGENCE COMMITTEE
HELD ON
SEPTEMBER 13, 1961

VII. SOVIET SUBMARINE-LAUNCHED
BALLISTIC MISSILES

(CONFIDENTIAL)

7. The Committee considered CANADIAN JIC 1296 (61) dated 30 August, 1961 on the above subject which had been prepared by GMIWG (P&O) and GMIWG (S&T).

(CSC 6-2 (JIC), JIR 8-44 of 1 Sep 61)

8. Mr. Camfield pointed out that this paper and the next paper dealing with Soviet Air-to-Surface Guided Missiles would be used for the guidance of the Canadian delegation to the Tripartite Working Group Conferences on Naval Missiles and Air Launched Missiles to be held in London commencing 20 September, 1961.

9. After discussion, the Committee:

- (a) amended and approved the paper as CANADIAN JIC 1296/1 (61); and
- (b) authorized the following distribution:

Chiefs of Staff Committee (9)
Mr. J.K. Starnes
DNI
DMI
DAI
DSI
RCMP
JIB
CB NRC
JIS (M)
JIS (JIB)
SO/JIR
SO/CI
Secretary, GMIWG (P&O) (8)
Secretary, GMIWG (S&T) (9)
JS/DSS
JICLO(W)
for USIB (28)
JICLO(L)
for UK JIC (15)
Chairman, CJS Washington
Chairman, CJS London

ACTION: Lt.-Col. Bourgeois
Secretary.

CONFIDENTIAL

CONFIDENTIAL

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EXCERPTS FROM THE 842nd
MEETING OF THE JOINT INTELLIGENCE COMMITTEE
HELD ON
SEPTEMBER 13, 1961.

X. SOVIET BLOC ACTIVITIES IN WATERS (CONFIDENTIAL)
ADJACENT TO CANADIAN TERRITORY

17. The Committee considered two memoranda from DNI dated 24 August and 1 September, 1961 pertaining to CANADIAN JIC 1286/1 (61) on the above subject which had been discussed at the 839th meeting of the JIC.

(CSC 7-17 (JIC) of 6 Sep 61)

18. Cdr. Willson stated that as expressed in their memorandum of 1 September DNI was now proposing that CANADIAN JIC 1286/1 be rewritten not as a threat paper but rather to reflect the organizational and operational concepts of the Soviet Maritime forces. The Chairman said he assumed that members of the Committee would agree as what was being proposed by the DNI was what the JIC had decided at its 839th meeting.

19. The Committee then agreed that DNI would be invited to revise CANADIAN JIC 1286/1 in the light of the decisions taken at the 839th meeting.

ACTION: DNI
Secretary.

CONFIDENTIAL

SECRET

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EXCERPTS FROM THE 842nd
MEETING OF THE JOINT INTELLIGENCE COMMITTEE
HELD ON
SEPTEMBER 13, 1961

VIII. SOVIET AIR-TO-SURFACE GUIDED MISSILES (SECRET)

10. The Committee had for consideration CANADIAN JIC 1298 (61) of 8 September, 1961 on the above subject which had been prepared by GMIWG (S&T) and GMIWG (P&O).

(CSC 6-2 (JIC), JIR 8-45 of 8 Sep 61)

11. W/C Howey suggested that in papers of this type it would be useful to include line drawings of the individual missiles as a means of achieving clarity.

12. Mr. Bowen questioned the basis on which the increased range for the KANGAROO missile had been accepted. He pointed out that the reasons why we have changed our previous estimate and increased the range of this missile should be noted in the paper. The Chairman of GMIWG (S&T) stated that there were conflicting viewpoints on the range of this missile depending upon which of two very reliable sources were used.

13. After further discussion the Committee:

- (a) agreed that a footnote to paragraph 19 would be included in the paper which would explain the two conflicting viewpoints on the range of this weapon;
- (b) amended and approved the paper as CANADIAN JIC 1298/1(61);
- (c) authorized the following distribution:

Chiefs of Staff Committee (9)
Mr. J.K. Starnes
DNI
DMI
DAI
DSI
RCMP
JIB
CB NRC
JIS (M)
JIS (JIB)
SO/JIR
SO/CI
Secretary, GMIWG (P&O) (8)
Secretary, GMIWG (S&T) (9)
JS/DSS
JICLO(W)
for USIB (37)
JICLO(L)
for UK JIC (15)
Chairman, CJS Washington
Chairman, CJS London

- (d) noted the DAI suggestion regarding the inclusion of appropriate line drawings in certain future JIC papers.

SECRET

ACTION: Lt.-Col. Bourgeois
Secretary.

cc: SSEA
USSEA
Mr. Robinson

D.L.(1)/F.M.Tovel/ef

CONFIDENTIAL

50028-B-410

13 September 1961. /4 ✓

MEMORANDUM TO THE MINISTER

Soviet Nuclear Tests

We have learned informally through the Defence Research Board that the United States authorities are most anxious to undertake a special series of rocket firings at Churchill to determine the degree of radio-activity in the upper atmosphere resulting from the current series of Soviet nuclear tests and in this way be able to determine more accurately than is possible by other methods the nature and strength of the devices exploded and to measure more accurately the amount of radio-active debris. This would be but a continuation of the cooperation between Canada, the United States and the United Kingdom in an exchange of information and facilities in this area.

2. The U.S. authorities would like to commence these firings within the next ten days and consider that a maximum of eight firings would be sufficient. Use would be made of the existing range and no special instrumentation over and above what exists at present would be required. Also the firings could be conducted well within the manpower ceiling of four hundred and fifty.

3. At the present moment this request is being handled through the medium of the Operational Co-ordinating Group which was constituted by the exchange of Notes governing the joint upper atmosphere research facility but it is for consideration whether or not this special series should be the subject of a special request in the diplomatic channel. In any event there would be no question but that the terms and conditions of the exchange of Notes of June 14, 1960 would apply. Indeed we should insist on this point.

4. We understand that when planning has become somewhat firmer it will be processed within the Department of National Defence through the Chairman of the Defence Research Board and the Chief of the General Staff to Mr. Harkness who, it is expected, may consult with you on the matter. This memorandum, therefore, is in the nature of advance information that you may expect to hear from Mr. Harkness on this matter.

N. A. ROBERTSON

N. A. R.

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JOINT INTELLIGENCE COMMITTEE

SECRET

J. 75

CSC 1145-1 (JIC)
CSC 1824-1 (JIC)

Ottawa, Ontario

13 September, 1961.

→ J.K. Starnes, Esq.,
Dept. of External Affairs.
DNI
DMI
DAI
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CB NRC

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SINO-SOVIET BLOC WAR POTENTIAL, 1962-66

SEP 14 1961

Enclosure: (1) UK JIC(62)3(Revised Terms of Reference)
dated 5 September, 1961.

Enclosure (1) is forwarded for information of members.

File to
A

E.A. Blais
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/1c

CONFIDENTIAL

EXCERPTS FROM MINUTES OF THE 841st MEETING
OF THE JOINT INTELLIGENCE COMMITTEE HELD ON
September 6, 1961

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VIII. TECHNICAL CHARACTERISTICS OF SOVIET
STRATEGIC BALLISTIC MISSILES

(CONFIDENTIAL)

10. The Committee considered:

- (a) CANADIAN JIC 421 (61) of 1 September, 1961 on the above subject which had been prepared by GMIWG (P&O); and
(CSC 6-2 (JIC) of 1 Sep 61)
- (b) JS/DSS comments dated 6 September, 1961 which were tabled by Lt.-Col. Bourgeois.

11. The Secretary stated that in addition to the papers being prepared by GMIWG (S&T) and GMIWG (P&O) as pre-CANUS-62 papers, GMIWG (S&T) was involved in the preparation of four Canadian position papers for the two tripartite missile working group conferences to take place in London at the end of this month. GMIWG (S&T) was therefore working on a very tight schedule and in order to meet this schedule the cooperation of all concerned was required.

12. After discussion, the Committee agreed:

- (a) that GMIWG (S&T) be invited to review CANADIAN JIC 421 (61) in the light of:
 - (1) DAI Brief No. 12-61 of 29 August, 1961,
 - (2) The JS/DSS Comments; and
 - (3) Comments to be submitted by DSI and possibly other members of the JIC;
- (b) to reconsider this paper at the meeting to be held on 20 September, 1961.

13. The Committee also noted the Secretary's remarks and stressed the importance of the work now being undertaken by this working group.

ACTION: DSI
Chairman, GMIWG (S&T)
Secretary

CONFIDENTIAL

CSC 7-17 (JIC)



JOINT INTELLIGENCE COMMITTEE

RESTRICTED
(Enclosure **SECRET** -
CANADIAN EYES ONLY)

8 September, 1961.
Ottawa, Ontario

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J.K. Starnes, Esq.,
Dept. of External Affairs.

- DNI
- DMI
- DAI
- DSI
- RCMP
- JIB
- CBNRC

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RECENT TRENDS IN THE INTERNATIONAL
COMMUNIST MOVEMENT

Enclosure: (1) CANADIAN JIC 413/1 (61) dated
8 September, 1961

Enclosure (1) will be discussed at the meeting of
the Committee to be held on 20 September, 1961.

SEP 11 1961

[Handwritten signature: E.A. Blais]
(E.A. Blais)
Major,
Secretary.

Enc.

EAB/2-5459/cp

cc: CJS
JIS (2)
SO/JIR
SO/CI

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SECRET
CANADIAN EYES ONLY

CANADIAN JIC 413/1 (61)
8 September, 1961.

RECENT TRENDS IN THE INTERNATIONAL
COMMUNIST MOVEMENT

OBJECT

1. To review significant trends in the international communist movement over the period 1960-1961.

CONCLUSIONS

2. The most significant development affecting the future direction of the world communist movement in the period under review is the Sino-Soviet ideological dispute which culminated in the November 1960 Meeting of 81 Communist Parties. Although it appears to have done little to alter basic Soviet policies, this dispute seriously weakened the commanding Soviet position in the movement. Its long term effect may well be the establishment of a dominant Chinese influence in the conduct of policies of some parties in the Far East and possibly, finally, if Sino-Soviet conflict in this field is protracted, a declaration of independence of both Chinese and Soviet direction by some of the more powerful communist parties.
3. Combined with such other instruments of bloc foreign policy as may be suitable in the circumstances, a major effort has been made by the world communist movement to extend the influence of communists and communist parties in the neutral and less developed countries of Asia, Africa and Latin America through the tactic of supporting, in a "united front", those "bourgeois nationalist" leaders who are estimated to be amenable to communist influence.
4. A survey of the progress of national communist parties indicates that the most important gains of long term significance made by communists and communist parties in the period under review have occurred in Cuba, Guinea, Indonesia, the Indo-Chinese peninsula, and Greece. Communist influence has declined markedly in Iraq and the Egyptian and Syrian regions of the U.A.R.

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DISCUSSION

5. In the correspondence and meetings between communist parties in which the Sino-Soviet ideological dispute was discussed, in the November 1960 Moscow Declaration of Communist Parties, and especially in his Vienna talks with President Kennedy, Khrushchev has made it clear that he is aware of, and intends to exploit to the full, opportunities for the extension of communist influence in the neutral and less developed countries of Asia, Africa and Latin America notwithstanding any efforts he may make to achieve better relations with Washington. While national communist parties will be used for carrying out these intentions their use has been, and will be governed in the predictable future, by certain limiting factors which should be borne in mind in estimating the likely projections of the trends surveyed in this paper. These are the considerations that:

- (a) Local bids for power at the present time would establish for the Russians a probably unacceptably dangerous commitment obliging them to support the new satellite regime at the risk of military involvement with Western powers or other states and would serve to foster a pro-Western attitude by neutralist leaders such as Nasser, Nkrumah and Sukarno;
- (b) The establishment of communist regimes in areas not contiguous to the bloc countries would present the Soviet Union with problems of National Communist and revisionist tendencies which it would have great difficulty in surmounting; and
- (c) As China becomes stronger and seeks an accordingly more powerful position in the world communist movement, differences about political strategy and the control of revolutionary movements are likely to have an unsettling and probably centrifugal effect on the unity of the movement and will place an increasingly severe strain on the maintenance of its discipline.

6. In the following sections of this survey, trends observed in the activities of communist parties in 1960 and 1961 are attributable to a significant extent to the working of these three factors. Thus, while a number of communist parties have made substantial gains in strength and influence in Latin America as a direct consequence of the Cuban Revolution the expansion of their activities has been firmly contained and channelled by the Russians towards supporting non-communist "bourgeois nationalist" leaders. (A "case-history" describing the manner in which Soviet restraints have recently been brought to bear on the Communist Party of Ecuador is contained in the Annex to this paper entitled "Cuban and Communist Reactions to a Revolutionary Situation in Ecuador".) In the Middle East, where the strength of communist parties has declined significantly, the Soviet Union has shown that it is prepared to sacrifice local communists in the interest of its broader foreign policy aims. On the other hand, the current USSR/UAR dispute, in which Russian concern about the treatment by the U.A.R. of local communists has played an important part, would appear to indicate that the USSR has set fairly definite limits on the extent to which it is prepared to condone the persecution of local communists.

7. Clearly the most important single development in the world communist movement in the course of the period under review is the Sino-Soviet ideological dispute and the enunciation of basic principles governing future activities of communist parties embodied in the Moscow 1960 Declaration which were drawn up as a consequence of the dispute. The net effect of this development, arising from the intrusion of China into the world communist movement as an independent and idiosyncratic communist country, will undoubtedly be to render complete control of

individual communist parties more difficult to maintain and may, in the long run, induce some of the stronger communist parties to assert their independence of the disciplines of the movement.

The Sino-Soviet Ideological Dispute

8. It is convenient for the purposes of this study to mark a distinction between two main categories of the questions which have been at issue in the Sino-Soviet ideological dispute: between questions affecting the basic assumptions on which the strategy of world communism is based and those affecting the discipline and tactics of communist parties. The first series of questions bearing on the "current definition of the epoch", requiring an agreed assessment of the influence of the Sino-Soviet bloc on world affairs, the inevitability of war and prospects for the policy of peaceful co-existence, does not, except in the broadest sense come within the scope of this paper. The second category of questions, embracing bloc policy towards national liberation movements and the underdeveloped countries generally, the tactics of the communist parties of the West and the position of the Communist Party of the Soviet Union in the world communist movement has an obvious practical bearing on the future directions of the movement and accordingly will be examined in some detail below.

Policy towards National Liberation Movements and the Under-developed Countries

9. Prior to the November 1960 Moscow Conference of Communist Parties the division between the Soviet and Chinese views of the means by which communist influence was to be extended in Asia, Africa and Latin America was clearly marked. In the Russian view, to carry out the reduction and eventual elimination of Western influence in those areas, (the primary aim in the short run,) it was considered essential that communists and communist parties follow a self-effacing policy of cooperation with the bourgeois nationalist leaders in the newly independent countries and with the bourgeois elements in the countries which had not gained independence. The Chinese, on the other hand, pointing to the persecution of communists in Egypt, the declining communist influence in Iraq and the relatively slow progress of the powerful Indonesian and Indian Communist Parties, had urged that communists assume the leadership of the anti-colonial movement, by force if necessary, as soon as possible.

10. On the whole, the Moscow Statement of 81 Communist Parties of December 1960 upheld the Soviet view and might usefully be broken down to reveal the most significant direction of Soviet intentions in the under-developed countries in the following terms:

- (a) The Colonial Areas. The statement, on policy for the colonial countries, acknowledged that independence can be gained by armed struggle or by non-military means and leans slightly to the Chinese view by stressing the importance of the role of the working class and peasantry and by playing down the value of the help that can be expected from the national bourgeoisie. It guaranteed on behalf of the world communist movement "all moral and material support to peoples struggling for their liberation".
- (b) The Newly-Independent Countries. The Statement pointed out that the first danger facing the newly-independent countries lies in the efforts by the former colonial powers to resume their exploitation at one remove by economic manipulation, military treaties, and so forth which would provide for the development of economic and cultural contacts with the countries of the Sino-Soviet bloc. To counter this threat it was essential, the Statement pointed out, that a united front be formed in these countries designed to abolish foreign economic interests, to carry out agrarian and social reforms and to pursue a neutralist

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CANADIAN EYES ONLY

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foreign policy. The terms on which communists may participate in the "united front" are loose enough to warrant the subordination of communist parties to the direction of bourgeois nationalist leaders.

- (c) The National Democracy. It is the goal of these activities to promote the establishment of a "national democracy" whose policies it would be to eliminate Western economic, political and military influence and allow local communists or communist parties to flourish until that stage is reached when the bourgeois nationalist leadership can safely be replaced by the machinery of a "Peoples' Democracy".

11. In numerous public declarations since the publication of the Moscow Statement the Chinese have made it clear that they are out of sympathy with the policy to subjugate communist parties to bourgeois nationalist leaders for the sake of the united front in the newly emerging "nationalist democracies". While they undoubtedly retain their misgivings, firm in their belief in the necessity for the communist seizure of leadership in the early stages of revolution, there is no reason to believe that they are not, at the present time, cooperating fully with the Russians in promoting the policies described above towards the under-developed countries.

Tactics in the Developed Western Countries

12. The decisions emerging from the Conference of 17 Communist Parties held in Rome in November 1959 formed the base of the Chinese attack on Soviet policies for the parties in Western Europe throughout the course of the Sino-Soviet ideological dispute. At Rome the European communist parties stressed the correctness of the gradualist line leading to the peaceful accession to power by communist parties through cooperation with all elements of the social-democratic leftist forces. The Chinese rejected this tactic as opportunism describing it as an evasion of the key question of establishing a proletarian dictatorship and "smashing the existing state machinery".

13. In the Moscow Statement of December 1960 and in the glosses placed on it subsequently by both parties, the Soviet position was re-affirmed without serious challenge from the Chinese who presumably considered that communist tactics in the West were of only minor importance in comparison with those envisaged for the under-developed countries.

The Use of the International Communist Front Organizations

14. The difference of opinion on this question between the Chinese and, as Khrushchev put it, the remainder of the world communist movement, was simple and clear-cut. It was the Chinese view that the international communist front organizations should have firm revolutionary aims to play a primary role in the anti-imperialist and pro-liberation struggles. Instead, the Chinese pointed out, the Russians were even bidding for the support of bourgeois pacifists and colonialists and using the front organizations as instruments of Soviet diplomacy.

15. This question was not resolved at the Moscow Conference. As described elsewhere in this review the international communist front groups have continued to work for as broad a base of public opinion as possible pushing revolutionary aims well into the background. There is no evidence that the Chinese have presented since, any more than token opposition to this policy.

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The Leadership of the World Communist Movement

16. In the section of the Moscow Statement which dealt with this question concessions of more or less equal weight were made to both protagonists with one important exception which may well have a far-reaching effect on the future ability of the Soviet Union to control the world communist movement. This concerns the references made to future policies for resolving differences in the movement and by inference stresses what appears to be the most significant development: the fact that the Moscow Conference represented a substantial challenge by the Chinese of the Soviet leadership of the movement by the fact of its having had to be called at all.

17. Prior to the Conference, the Soviet Union had justified the policies forced by it upon other national communist parties by the principle of majority rule; in the course of the dispute with the Chinese throughout 1960 it had repeatedly invoked this principle and bitterly attacked the promotion by the Chinese of pro-Chinese factions in various communist parties, particularly in the Indian and Japanese Communist Parties.

18. The sections on unity and solidarity contained in the Moscow Statement seem to represent a serious setback to the Soviet view. They made no references to the principle of majority rule or to the dangers of "factionalism"; and the provision for further meetings at which urgent problems will be discussed and joint action coordinated has the net effect of bringing down the Soviet leadership to a position, if not of parity with the other parties, at least of reducing its stature considerably. Any such meetings held in the future will again tend to undermine the Soviet position of dominance of the world communist movement to the advantage of the Chinese.

19. The immediate effect of the line taken by the Moscow Statement on these questions is to sanction continuing Chinese efforts to extend its influence among the Asian members of the bloc and in Asian Communist Parties outside the bloc. The long term effects may well be the establishment of a dominant Chinese influence over some Parties in the Far East and possibly finally, if Sino-Soviet conflict in this field is protracted, a declaration of independence of both Chinese and Soviet direction by some of the more powerful communist parties.

The International Communist Front Organizations

20. The main lines of policy followed by the international communist front organizations have been directed to attracting as wide a segment of public opinion as possible in support of the Soviet position on the "test ban" and disarmament issues and in denunciation of Western "neo-colonialism". The former line has been directed largely, although not exclusively, to the industrially developed countries of the West and the latter to the less developed countries of Asia, Africa and Latin America and designed to reduce and eliminate Western political economic and military influence in these areas.

21. Two distinct trends of some importance have become apparent in the policies and conduct of these organizations which have served to make them more effective instruments of Soviet foreign policy - - particularly in the less developed countries of Asia, Africa and Latin America. These have been the tendency to:

- (a) break down the monolithic character of the front organizations into series of ostensibly autonomous regional organizations, which are able more plausibly to exploit local issues for communist purposes; and
- (b) create and maintain related front organizations whose links to the world communist movement are difficult and sometimes impossible for the ordinary voter to recognize.

The Orthodox "Front" Organizations

22. Among the traditional front organizations these trends have been particularly noticeable in the activities of the World Federation of Trade Unions (WFTU), the World Peace Council (WPC) and the World Federation of Democratic Youth (WFDY).
23. The World Federation of Trade Unions has made no serious effort to establish an openly affiliated branch of any significant strength in Africa south of the Sahara since 1957. It has however been partially successful in attaining a position of significant, but not necessarily decisive, influence in the projected All-African Trade Union Federation. This organization, whose establishment is being sponsored largely by the Guinean and Ghanaian Governments with the support of the Morroccans and Egyptians within the framework of the All African Peoples' Conference, is motivated primarily by Pan-African aspirations and is likely to become an important vehicle for the dissemination and implementation of the Pan-African ideal on a continental basis within the next two or three years. It is the policy of the World Federation of Trade Unions to induce the membership of this organization to cut all ties with the Western-oriented International Confederation of Free Trade Unions (ICFTU) without requiring or even wishing that it assume any overt ties with the WFTU. Although it does not appear to have been successful in effecting a complete break with the ICFTU it has however succeeded in placing officials sympathetic to its aims in key posts in the new Federation and to have placed itself in a position where the Federation may well become dependent on its resources for the financing of much of its activities.
24. Remarks concerning plans for the new Federation made at a plenary meeting in Cairo in March 1961 of the All-African Peoples' Conference indicated that consideration was also being given for the formation of pan-African federations of youth, farmers' and women's organizations. Should these plans be put into effect it is likely that the international communist front groups will succeed in achieving similar positions of influence in these organizations with the aid of pro-communist officials in the Secretariat of the All African Peoples' Conference.
25. The World Federation of Trade Unions probably sees a similar and perhaps more promising situation developing in Latin America. As in Africa, strenuous efforts are currently being made by the WFTU to promote the establishment of a Latin American Trade Union Federation which will not openly be associated with the WFTU and follow an ostensibly neutral policy on a programme of trade union unity and nationalism. Largely through the medium of the Cuban Confederation of Labour, meetings have been taking place since 1960 of various national trade unions in Cuba, Chile and Uruguay designed to lay down the outline of the new organization. Two further meetings are envisaged; one is to be at Havana in late July 1961 and the final Continental Conference is scheduled to take place in Bolivia at the end of October 1961. At a minimum, components of the new Federation are likely to consist of trade unions from Cuba, Chile, Uruguay, Peru, Ecuador, Colombia and Costa Rica.
26. Plans are also thought to be underway for the establishment of a similar Latin American youth and student federation on the initiative of the Cuban Federation of University Students.
27. The Latin American Conference for National Sovereignty, Economic Emancipation and Peace held in Mexico City from March 5 - 8 is another example of the trend adopted by the international communist front organizations, in this case, the World Peace Council, towards the assumption of ostensibly neutral cover on a regional basis. This meeting was nominally convened by a representative Latin American committee having no immediately apparent communist association. In fact, however, it was financed and directed by the Prague International Institute

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of Peace of the World Peace Council.

The Crypto-Communist International Front Organizations

28. Insofar as it is not subject to absolute communist control, the Afro-Asian Peoples' Solidarity Council is not considered strictly speaking to be an international communist front organization. However, changes in the Secretariat of the Council which have taken place through 1960-1961 indicate that Egyptian influence, which has hitherto acted as an effective counterweight to Sino-Soviet pressures, has now declined to the point where communist influence has clearly become predominant.

29. At the Conakry meeting of the Council in early 1960 communists were in a minority on the Council's Secretariat. However, at the Bandung meeting of the Council in April 1961 they emerged with a clear majority, four of the eleven positions being occupied by open communists, six by either crypto- or pro-communists and one by an Egyptian. As a consequence the Egyptian delegation to the Bandung conference exerted little significant influence on the proceedings of the meeting which were largely devoted to the condemnation of Western "neo-colonial" influence in the under-developed areas.

30. It is possible that steps will be taken to enlarge the scope of the Afro-Asian Peoples' Solidarity Council to embrace Latin America.

31. In the course of 1960-1961 communists have organized a wide variety of ostensibly non-communist institutions of international scope and of a regional character which are likely to prove of increasing significance in attracting support from non-communists for Soviet foreign policy objectives. Noteworthy among these are the Greek Organization for Balkan Understanding and the European and Latin American Amnesty Committees for Spanish and Portuguese Political Prisoners and Exiles.

32. The first of these, "Balkan Understanding" is the creature of the Greek crypto-communist party, the United Democratic Left. In early 1961, its President succeeded in gaining the approval of the Greek Government for the holding of a Balkan Conference at Athens to which delegations would be invited from Albania, Bulgaria, Rumania, Yugoslavia and Turkey. While the main object of the Conference was intended to be the exploration of means of furthering technical and cultural cooperation, the main theme of the Conference, when it was held in April 1961, was the idea of the establishment of a missile-free zone in the Balkans and Adriatic.

33. The Permanent Latin American Committee for an Amnesty for Spanish and Portuguese Political Prisoners and Exiles was formed in Sao Paulo, Brazil in January 1960. In subsequent meetings in Buenos Aires, Montevideo and at the 1961 Paris meeting of the related European organization it has become evident that this organization is controlled by communists. However, as this control has remained clandestine, and as its appeal has proved attractive to liberal democratic sentiment, the organization appears to have become increasingly successful in obtaining public support in Latin America and in Europe, thus laying the ground-work for communist participation in future opposition activities in the Iberian Peninsula.

The National Communist Parties

34. Europe. Of the four main European communist parties, the Italian, French, Finnish and Greek, the positions of the first two have shown some slight signs of improvement, the role of the Finnish Party appears relatively static and only the last seems to have any real grounds for hope of attaining a position of decisive influence in its country's government in the foreseeable future.

35. The Italian Communist Party, with a membership of some 1,500,000, remains the second largest political element in Italy, commanding the support of about one in every four Italian voters. While it has succeeded in increasing its influence

in the Italian Socialist Party through the election of crypto-communists to key positions in the latter Party and through financial ties it has made no appreciable gains in the period under review.

36. The French Party received its most serious setback since the Second World War at the time of President De Gaulle's return to power in 1958 when it lost some thirty percent of its customary electoral following and ninety percent of its parliamentary seats in the new electoral laws which followed the President's return. Since that time, although it has partially recovered its membership losses, the possibility of the Party's achieving its primary objective of a formal alliance with non-communists in an effective popular front seems remote, barring the development of an extreme authoritarian regime in France.

37. The Greek Communist Party (KKE) was outlawed in 1947 and most of its leaders are in exile. Communists are, however, in effective control of the United Democratic Left Party (EDA) although this connection is usually denied and many non-communists hold positions in the Party. In the last general elections, which took place in 1958, the EDA gained an unexpected 25 percent of the popular vote (compared with an average of ten percent in previous elections) which resulted in its replacing the once powerful middle-of-the road Liberal Party as the principal opposition. The trend demonstrated in these elections towards a polarization between the right and the extreme left at the expense of the centre has continued to operate to the advantage of the EDA and has now reached the point where the latter, in the elections which are to take place in 1961 or 1962, is estimated to be able to command thirty-five percent of the popular vote if it were to stand alone and possibly a substantial majority should it succeed in establishing a Popular Front.

38. The latter possibility is being given active consideration by the EDA at the present time and steps are likely to be taken in the near future to form a "Progressive Democratic Party" with which the EDA will cooperate in a Popular Front under the possible leadership of Sofoklis Venizelos. In the event of an electoral victory under these conditions it is likely that it will be the policy of the EDA to press for a neutral foreign policy for Greece entailing the support by Greece of a policy of "pacification" and co-existence in the Balkans with a view to the ultimate neutralization of the whole area. An EDA leader has recently indicated that his Party would avoid raising the question of Greek membership in NATO or the neutralization of the country during the electoral period, thus intending it be understood that no objections would be raised to Greek membership in NATO for purely defensive purposes.

39. Middle East. In the UAR, communist groups in Egypt, harassed by the police and weakened by personal rivalries, have been almost completely eliminated as a serious potential political influence; in Syria while the Communist Party has retained a viable under-ground organization it has little strength in terms of power and influence and is obliged to await such changes in Syria as may produce conditions more favourable to its growth.

40. The Iraqi Communist Party (ITTIHAD ASH SHA'AB Party) has suffered a similar decline from its almost pre-eminent position vis-a-vis Kassim after the July 1958 coup d'etat. While remaining organizationally sound and a force of potential significance its further expansion has been effectively paralysed and it has little prospect of improving its position in the near future. However, should Kassim fall in the near future, the prospects for gaining a decisive role in the Government would likely be better than those prevailing at any time since the July 1958 coup.

41. Africa. In recognition of the social structure and authoritarian one-party nature of most of the African states the Soviet Union has made no serious effort to encourage the formation of communist parties in this area. With the basic objective of establishing, wherever possible, a presence which may provide a pole of attraction for anti-Western political forces, it is communist policy to

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CANADIAN EYES ONLY

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enlist support for Sino-Soviet aims among persons holding key positions in government, through extensive information activity and through the conclusion of trade and technical assistance agreements.

42. These policies have been conspicuously successful in Guinea and, to a lesser extent in Ghana and Mali, where the long-term effect of communist influence in the government structures, combined with the results of improving state-to-state relations is likely to be an increasingly important factor in inducing the adoption by these countries of foreign policies sympathetic to, but remaining independent of, those of the Sino-Soviet bloc. Elsewhere in Africa, these policies appear, in the short run at least, to have reasonable prospects for success in the current bloc support being given to nationalist leaders of Portuguese Guinea, Angola and to opposition leaders in Somalia.

43. The Far East. The activities of the Communist Party of India during the period under review have shown no signs that it is likely to become a major influence in the central government in the near future. Its prestige has suffered from the border disputes with China which have supplied a rally-point for non-communist groups in India. However, communists, in spite of these developments, have continued to gain strength in the trade unions and in some States, notably Bengal and Andhra Pradesh, and, although they lost the recent elections in Kerala, they increased their vote in that state by 900,000 compared with the Congress Party's increase of 500,000.

44. Sino-Soviet bloc policy towards India was a cardinal point at issue in the ideological dispute discussed earlier in this paper and this issue continues to be reflected in differences arising from time to time between those elements of the leadership of the Indian Communist Party who owe their allegiance to the Russians and between those who have come under the influence of the Chinese. The latter, who have consistently urged a more militant policy of opposition to the Indian Government, are clearly in the minority and it appears probable therefore that the Indian Party will be satisfied to maintain its steady but slow growth rate in the expectation that, following Nehru's death, the Congress Party will become even more deeply involved in factional disputes and, as a party, prove less able to withstand totalitarian pressures from the left and the right.

45. In Indonesia, the Communist Party appears without doubt to be the best led and most unified of all the Indonesian political parties. With the introduction of "Guided Democracy", opportunities for the exercise of direct communist influence on the Indonesian Government have continued to grow, but at a significantly slower pace, during the period under review. The growth of influence of left-wing politicians in the Government and of communists and communist sympathizers in important political and administrative positions (but not yet in the Cabinet) appears to have been retarded but not entirely arrested by the conservative influence of the army and by the Party's recognition of the fact that it owes its continued existence to its identification in the public mind with President Sukarno and his policies. Although the army remains the main obstacle to further increases in communist power and influence in Indonesia, its leaders, unwilling to risk an open conflict with the President, are unlikely to try to suppress the Party completely or to attempt to establish a military dictatorship.

46. The Indonesian Communist Party appears likely, within the foreseeable future, to be able to dominate many of the local administrations and could well emerge, at the next general elections, as the strongest single party in Java with a substantial representation in and influence over the Indonesian Government. The further extension of its influence into the highest levels of Government will, however, be sharply circumscribed by its continuing need to support President Sukarno who would not hesitate to take action against the Party if he considered it threatened his position. Conversely, the Party does not appear likely, for some time to come, to enjoy sufficient strength vis-a-vis the army to risk giving him reason for doing so.

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47. While remaining a force of only marginal significance in Japanese political life the Communist Party of Japan has made important advances in the period under review. In the November 1960 elections, the Communist Party increased its strength in the Lower House from one to three seats and received 2.9 percent of the popular vote, an increase of 14 percent over 1958. Party membership is now estimated in the neighbourhood of 80,000 to 100,000, an increase of some 30,000 over the past three years.

48. However, its principal advances are considered to have been made over the past two years in its pursuit of united front tactics through which it has increasingly come to be accepted as a partner in joint action with left-wing groups. It has been particularly successful in co-operating and identifying itself in the public mind with the Japan Socialist Party and the left-wing labour federation, Sohyo, through participation in the Kokumin Kaigi (Peoples' Council against Revision of the US-Japan Security Treaty). While the latter organization was unsuccessful in preventing the US-Japan Security Treaty from coming into effect, its activities were, in large measure, responsible for causing the Japanese Government to request the cancellation of President Eisenhower's visit to Japan and for compelling Prime Minister Kishi to resign in July 1960.

49. The Indo-Chinese scene is dominated by the clear military threat posed by the communist movements known as the Viet-Cong in Vietnam and the Pathet Lao in Laos. The Viet-Cong is under the direct control of the North Vietnamese Communist Party (the Lao Dong Workers' Party). The Pathet Lao appears to be a loose organization which includes Nationalists as well as Communists. In ideology and leadership it is, however, under the influence of the Laotian Communist Party (Phak Khon Ngan) which was formed in 1952 as a section of the Communist Party of Indo-China. The left wing in Laos has always worked in close liaison with the Vietnamese Communists, and the Laotian left can generally be said to stand in relation to the Vietnamese Communists in somewhat the same relationship as the Vietnamese Communists to the Chinese Communist Party. This is not to indicate, however, that the Indo-Chinese communist movement is entirely subjected to Chinese influence. In the period between the two World Wars, communists in Southeast Asia looked westwards to the Communist parties of the Netherlands, France and Great Britain for help and guidance (and through these parties to Moscow), rather than eastwards to the Chinese communists, who had suffered a serious defeat at the hands of the Kuomintang in 1927 and had been forced into a remote territory in China cut off from the outside world. The Russians appear to have approved this subordination of the Southeast Asian local Parties to the European Parties, and, in fact, to have considered Southeast Asia as part of Europe for the purposes of the Revolution.

50. When in 1947 it became clear that control of Southeast Asia was no longer possible through Europe, the Russians changed their tactics and organized opposition to the non-communist Nationalist Governments which had emerged in the region. The communist Chinese seem to have kept in the background during this immediate post-war period. But following their victory in 1949, their tactics of guerrilla warfare and political action conducted from bases in isolated rural areas were adopted, with the approval of the Soviet Union, by the communist parties of the colonial and semi-colonial territories, and more specially by the Indo-Chinese Communist Party. This aggressive policy, which led to the defeat of the French in 1954, had aroused deep fears of Chinese expansion elsewhere in Southeast Asia and it became clear that it was now wiser for the Sino-Soviet bloc to conciliate rather than oppose the local nationalist governments. The doctrine of "peaceful co-existence" was therefore proclaimed. The Bandung Conference was held. Aid was offered and cultural exchanges initiated. China took the leading role in this new policy. It can at least be said to have stood on equal terms with the Soviet Union in the Southeast Asian area during the "co-existence era". This was the period when the Hanoi regime was also exercising caution in Vietnam in the hope of winning over the southern zone through the general elections provided

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CANADIAN EYES ONLY

for July 1956 in the Geneva Agreements. But by 1957-58 it had become evident that general elections would not be held. The policy of direct military intervention was embarked upon. Guerrilla activity was increased, and in the course of 1960, the Viet-Cong and Pathet Lao threat had materialized.

51. These aggressive moves of the Viet-Cong and Pathet Lao seem to have been inspired by the Communist Chinese themselves and the pro-Chinese element in the Lao Dong Party, and pursued over the objections of the Soviet Union and their Vietnamese supporters who were, outwardly at least, in favour of a detente with the West. Communist China would therefore appear to be pressing for an activist policy in Indo-China. The Soviet Union seems, however, determined to prevent this policy from being carried out to the danger point and has recently taken steps to assert its leadership as exemplified by its airlift to Laos in support of the Pathet Lao. As a result of this intervention, it is in a better bargaining position vis-a-vis China regarding the terms on which a Laotian settlement could be arranged.

52. The North Vietnamese, for their part, remain extremely conscious of their dangerous propinquity to China. Their chief hope of preserving a degree of independence within the communist bloc is through their retaining strong links with the Soviet Union and the European satellites in order to offset in some measure the overshadowing Chinese presence.

53. The Communist Parties of Cambodia, Burma and Thailand have kept very much in the background since 1954. Peking no doubt continues to feel that it has more to gain through co-operation with the nationalist governments of these countries than through open opposition to them. Future communist policies may be strongly influenced, however, by the outcome of the current Geneva Conference on Laos, and there is considerable fear, especially in Thailand, that the result will encourage rather than discourage the further extension of communist influence in the remainder of the Indo-Chinese peninsula.

54. Latin America. Encouraged by recent developments in Cuba and the effect of the Cuban Revolution elsewhere in Latin America, the Soviet Union has come to consider this area as a major theatre of action in which long-standing United States diplomatic, political and military influence has proved increasingly vulnerable.

55. Although arousing increasing suspicion among Latin American government leaders, who have recognized it as a threat to their own stability, the Cuban Revolution has obviously evoked a strong emotional appeal in most countries of the hemisphere, in all of which is shared, in varying degrees, the anti-Americanism expressed by Castro and an appreciation of the need for agrarian and social reforms along the lines pursued by the Cuban Government. Since he attained power in January 1959, Castro has shown a sustained determination to give active support to the promotion of similar social and economic revolutions throughout Latin America. The Sin-Soviet bloc, largely through the communist party of Cuba, has thus been placed in a position to exploit numerous opportunities, without becoming directly committed, to extend communist influence in Latin America through the agency of the Cuban Government.

56. While remaining the only effective political body in Cuba, the Cuban Communist Party, the Popular Socialist Party, continues to eschew any official role in the Government and has taken care to avoid giving the impression that it is seeking power for itself. The Party's strength is estimated to be a little over 20,000, with the addition of probably a large number not holding party cards who have been instructed to conceal their affiliation. Although the Popular Socialist Party has remained unobtrusive and seems unwilling to present any challenge to Castro's authority or to press for formal participation in the Government, members

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of the Party have become firmly entrenched in key positions of the Government where they can play a major part in influencing the course of the Government's policy.

57. The Cuban communists recognize that Castro is neither communist nor likely to be susceptible to direction from any foreign source. They have succeeded, however, to a significant extent in utilizing the community of interest which exists between Castro's revolutionary views and bloc policy in Latin America for the purpose of assisting other communist parties and allied left-wing groups to reduce and eventually to eliminate United States influence in Latin America.

58. These activities have been carried out through contacts abroad made by members of the Cuban Communist Party and through contacts between agencies of the Cuban Government and left-wing and communist leaders elsewhere in Latin America. The principal tangible results of these activities have been the inauguration of a training school in Havana for Latin American communist students, the establishment of a wide variety of "Committees for the Defence of the Cuban Revolution" under the control of local communists and left-wing leaders in most of the countries of Latin America, the provision of advice, financial aid on a large scale, and in some cases, arms, to potential left-wing revolutionary groups and the intensification of the flow of communist and Cuban revolutionary propaganda throughout Latin America through the medium of the Cuban Government-controlled press agency, PRENSA LATINA.

59. These activities have had the dual effect on the one hand of emphasizing to public opinion in Latin America generally the beneficial effects of the Revolution in Cuba and the desirability of its application abroad and, on the other, of providing communist parties with a popular platform demanding backing for the Cuban Revolution which has enabled them to make a common front with a substantial block of left-wing but non-communist opinion. Of the Latin American Communist Parties which have benefited by this development, the relatively weaker Ecuadorean and Colombian Parties appear to have derived greater advantages than most.

60. In the Annex to this paper an account is given of the manner in which the Communist Party of Ecuador has recently submerged its identity in subordinating itself to a left-wing but non-communist political leader evidently in accordance with the co-ordinated instructions of the Cuban Government and the leaders of the world communist movement.

61. A similar development is believed to have taken place in Colombia in which the Communist Party has allied itself with the leftist Cuban-supported Revolutionary Liberal Movement. As a consequence of this arrangement and of the general impact of the Cuban Revolution the Colombian Communist Party has made substantial progress in extending its influence in the Legislative House, the universities, the trade unions and among the peasants.

ANNEX TO

CANADIAN JIC 413/1 (61)

DATED: 8 September, 1961.

SECRET
CANADIAN EYES ONLY

CUBAN AND COMMUNIST REACTIONS TO A
REVOLUTIONARY SITUATION IN ECUADOR

1. An important element of the Sino-Soviet ideological dispute which was not entirely resolved by the Moscow statement of December 1960 was the attitude of the World Communist Movement to the less developed and newly-independent countries suffering from economic manipulation by the "colonial exploitation of the imperialist states". According to the Statement these countries were only to be freed by a "resolute struggle" through a united front consisting of communist participation under a bourgeois nationalist leadership designed to establish a "nationalist democracy" which would be in a position to strengthen political and economic independence and to pursue a neutralist foreign policy. The "Nationalist Democracy" envisaged in the Statement was regarded as a necessary step on the road to integration in the world communist movement: although neutral, it would eliminate Western political, economic and military influence and permit local communists to build up sufficient strength to assume the direction of government at an appropriate time in the future. Cuba was obviously regarded as fitting this concept of a "national democracy".

2. This view was not accepted by the Chinese without some reservations. While the Russians considered that a "national democracy" should be headed by a bourgeois nationalist susceptible to communist influence, the Chinese have held that such states should be under complete communist control. Accordingly although the Chinese subscribed to the Statement's definitions of the means by which "national democracies" are to be attained the Statement made an obvious concession to their point of view by stressing the unstable and untrustworthy character of the national bourgeoisie in the colonial and newly-independent countries.

3. In March 1961 the Soviet concept of the new "national democracy" was imposed on the Communist Party of Ecuador, following a visit by one of its leaders to the U.S.S.R. and China, in circumstances which suggest the closest possible cooperation of the Cuban Government with the world communist movement in promoting the latter's aims in Latin America.

4. The Communist Party of Ecuador has a relatively small membership of somewhere between 4,000 and 6,000 but is well disciplined and organized and enjoys considerable support among the intellectuals, in the rural areas, and in some quarters of the Government. At the end of 1960, three months after the election of President Velasco, it was committed to a militant revolutionary policy designed to exploit the country's growing awareness of the need for agrarian reforms. However, in spite of the fact that this policy had been pursued with such success that the Party had grown to represent an important threat to the security of Velasco's regime, the Party's policy had changed in the course of the first three months of 1961 to one of cautious support for Velasco under the leadership of a non-communist, Manuel Araujo.

5. The theory of gaining power through revolutionary or insurrectionary action became the official line of the Ecuadorean Communist Party in 1959. At a Party congress held in Quito in October 1959, where this line was made official, members were told that there was a political and economic crisis in Ecuador which was expected to give rise to revolutionary ferment through all strata of society. The revolution which was to come, they were told, was to be led by the Communist Party of Ecuador through the exploitation of the peasant/Indian agrarian problems, urban unrest and the students.

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SECRET
CANADIAN EYES ONLY

6. Subsequent events have not been out of line with this prognosis. Student and peasant demonstrations, in which the Communist Party is thought to have played a leading part, have become increasingly frequent since President Velasco's accession in September 1960 and popular feeling has obviously grown increasingly appreciative of the Cuban example in the field of agrarian reform and increasingly resentful of real and imagined ties of the Velasco regime with the United States Government.
7. The Cuban Government has not been slow to take a hand in this situation. It is believed to have distributed large quantities of revolutionary propaganda to the Ecuadorean Communist Party and to youth groups in Ecuador through the Cuban Embassy in Quito, to have provided training for Ecuadorean communists in Cuba and to have offered arms to communist revolutionary groups in Ecuador. Finally, in early January 1961, it invited to Cuba a prominent Ecuadorean political personality, Manuel Araujo Hidalgo.
8. Araujo had been, for a brief period after the accession to power of the Velasco regime, successively President of the Chamber of Deputies and Minister of Government and, although holding no official position at the present time, remains in close contact with and is believed to exert considerable influence on President Velasco. He is a demagogue, well known throughout the country, anti-American, and a fervent admirer of Fidel Castro. He is not believed to be a communist.
9. His visit to Cuba was clearly regarded as a matter of some importance by the Cuban Government. Three days before his departure for Cuba on January 28 he was preceded by the Cuban Charge d'Affaires in Quito whose main purpose appears to have been to assist the Cuban Government in making arrangements for Araujo's visit. The Cuban Charge, on his return to Cuba in early February, informed members of the Ecuadorean Communist Party that Cuba's invitation to Araujo had been extended in order to assist the latter in obtaining Cuban mediation in establishing contact with the Soviet Embassy in Havana for the purpose of making arrangements for Soviet aid in arms and money for Ecuador.
10. Reports are conflicting about the nature of the offer which actually appears to have been made to Araujo on his trip. One Ecuadorean communist is reliably reported to have announced to his associates that Araujo had received an offer from the Cuban Government of a \$20 million loan at 2% interest for twenty years and to have expressed the opinion that the money would come from the USSR through a Cuban bank ostensibly as a loan from the Cuban Government. Araujo himself is reported to have said on his return that he carried a written proposal for Velasco from the Soviet Embassy in Havana promising "anything asked with no strings attached". Araujo also gave details of talks he had with "Che" Guevara in which the latter had given advice about the conduct of revolutionary operations.
11. Shortly before his departure for Cuba leaders of the Ecuadorean Communist Party began to express their uneasiness at what they regarded as Cuban plans to make a revolutionary leader of Araujo, one of them remarking that a mass movement based on Araujo and with Cuban inspiration could seriously damage or replace the work of the Communist Party of Ecuador. Early in February, the Ecuadorean communists took this matter up with the Cuban Charge d'Affaires in Quito expressing strong disapproval of Cuban interference in the affairs of the Ecuadorean Communist Party and the Ecuadorean peasant movement and pointing out that the proposed Soviet aid would put a complete stop to revolutionary development in Ecuador. However the Cuban made it clear that it was the policy of his Government to oppose any violent overthrow of the Velasco regime and he recommended that the communists mobilize the peasants in support of Velasco.

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SECRET
CANADIAN EYES ONLY

12. This policy was confirmed by the Ecuadorean Communist Party leader, Jorge Arellano, in mid-January in talks with local communist leaders. Arellano had at that time just returned from an extended visit to the Soviet Union and China having spent several weeks in the latter country studying the Chinese revolution and having been exposed to Chinese views on revolutionary tactics in Latin America. His views undoubtedly reflected the up-to-date advice of the central authorities in the world communist movement. He stressed that although conditions appeared to favour insurrection it was advisable at the present time to support Araujo and Velasco suggesting that the Party had not yet reached a sufficiently advanced level to occupy the seat of Government.

13. In mid-March the Communist Party of Ecuador appears to have been brought firmly and finally into line when Araujo called a meeting of communist leaders in Quito. At this meeting he made it clear that he held the leadership of the revolutionary movement in Ecuador adding however that the fundamental force of the revolution remained the Ecuadorean Communist Party backed by other left-wing elements in the country. He put forward plans for the formation of a clandestine revolutionary organization and submitted that it was to be the policy of this organization to support the present regime against threats to its security from rightist elements in the country as long as Velasco continues to favour closer relations with the Soviet bloc. Araujo's views appear to have been accepted without reservation by the communists.

Date of Annex: 10 May, 1961

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SECRET
CANADIAN EYES ONLY

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Date of Annex: 10 May, 1961



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

Department of National Defence

JOINT INTELLIGENCE COMMITTEE

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6 September, 1961.

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MEMORANDUM FOR THE JIC:

SOVIET BLOC ACTIVITIES IN WATERS
ADJACENT TO CANADIAN TERRITORY

References: (a) CANADIAN JIC 1281/1 (61) on the above subject.

(b) Minutes of the 839th meeting of the JIC - Item VII, para 13 (c)

SEP 7 1961

Enclosures: (1) DNI 61-18 dated 24 Aug 61

(2) DNI 61-20 dated 1 Sep 61

Members will recall that among the decisions taken on this subject at the 23 August meeting was that certain statements in CANADIAN JIC 1281/1 (61) be reexamined in the light of international law and practice.

2. We have now received the memoranda at enclosures (1) and (2) from DNI. The attention of members is invited to paragraph 4 of enclosure (2) in which DNI recommends that they redraft CANADIAN JIC 1281/1 (61), not as a threat paper but as accepted conjecture on the organization and operational concepts of Soviet Maritime Forces.

3. This item will be considered at the meeting to be held on 13 September, 1961.

[Signature]
(E.A. Blais)
Major,
Secretary.

Encs.

EAB/2-5459/cp

cc: CJS
JIS (2)
SO/JIR
SO/CI

R E S T R I C T E D

DNI 61-18

MEMORANDUM TO: Secretary JIC

THE LEGAL ASPECTS OF SOVIET ACTIVITIES IN
WATERS ADJACENT TO CANADIAN TERRITORY

At the direction of JIC the legality of Soviet activities in Canadian waters has been examined. None can be stated to be positively illegal.

2. The problem of determining legal and illegal activity presents great difficulty.

3. What international law exists is only binding to those nations which voluntarily submit to international covenants, and even in this there is a freedom to depart from agreed conditions when reason to do so exists.

4. Thus, while the "law" states that certain lights shall be shown by aircraft and vessels by night, naval forces freely break the rule by operating completely darkened. This is not regarded as "illegal". The force of the covenant is not to police the seas and the air or to enforce laws but to achieve a measure of international agreement in order to improve the safety of operations at sea and to achieve some measure of acceptance among the nations of a common approach to facilitate maritime operations with a minimum of obstruction or dissension. The darkened naval force breaks no law; it merely accepts full responsibility for avoiding collision if its parent nation accepts the international covenant.

5. In such matters as rules-of-the-road, sound signals and lights, there is no difficulty in obtaining the cooperation of nations whether or not they are signatories of covenants and agreements. This is because these things benefit all equally in terms of lower insurance premiums, greater safety, etc.

6. However, in any situation where use of resources, media, or space are concerned, even participants refuse to be bound and interpretations are entirely dependent on what favours the particular nation and can be enforced. Political considerations sometimes also prevent any appreciable restriction on maritime activities beneficial to a nation, even when conservation of resources or effective international operations are jeopardized.

7. In general it can be said that there is no "international law" in the "national" sense of the word. There is only a group of rules accepted as traditional and frequently subject to interpretation in a way which benefits the national interest.

8. There are circumstances which give these "traditional practices" and customs a certain weight as law.

- (a) Mutual advantage is often achieved, for example, the establishment of means of resolving responsibility for collision by applying rules of the road.
- (b) Retaliatory action, for example, warship operation off foreign shores without the courtesy of diplomatic procedures gives other nations similar freedom to operate in waters of the transgressor.
- (c) Moral issues - Operations detrimental to nations with whom we live in peace are avoided, as also are reckless depletions of marine life by indiscriminate destruction.

9. An examination of incidents in recent months indicates that international "law" is established by what is acceptable or inevitable.

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10. Piracy is the seizing of a ship or aircraft unless the pirate is a native of the country owning the ship or aircraft and claims to head a revolutionary movement. It then becomes a subject of debate as either an act of piracy or insurrection and paralysis sets in without the sort of final resolution normally achieved in national courts.

11. A radio station which jams a foreign station commits a breach of international agreement unless the country in which the offending station is located, is not a signatory to the international agreement, in which case it becomes quite legal to operate in any way, over any part of the radio spectrum without regard to frequency allocations of participants in the agreement.

12. Russia is not a signatory of I.C.A.O. and is therefore free to operate aircraft outside the three-mile limit off America's Atlantic coast. The shooting down of a Soviet bomber force exercising in this area would be an illegal act. The air identification zone over the Atlantic represents an international area seized by the U.S. and Canada to provide a buffer military area and to restrict the activities of other rightful users of the area. The point is not pressed because the USSR stands to find exercising aircraft off her shores also. However, "legally" speaking we have no right to demand aircraft of other nations to identify themselves to us over international water.

13. On the propaganda side, the reverse stand was adopted when an RB 47, legally in international water, was nonetheless so close to Soviet territory as to place the U.S. in a weak position to defend against charges of aggressive warlike probes. It was illegally shot down on the strength of an advantageous moral position.

14. By refusing consent or approval in fishery agreements, ~~radio frequency allocation~~, air operations and ~~all~~ other agreements and covenants concerning control of media, space, or resources, the Soviet Union has reserved a legal right to use these fields of activity in any way she cares to without regard to self-imposed restrictions of nations bound by agreements. On the other hand, she does not forfeit the right to demand that participating nations give her full protection and benefit of their agreements and she is quick to protest breach of international rules on the part of signatory nations.

15. A most logical reaction would be to assert that the agreements are binding only among participating nations, and the Soviet Union must join such agreements or suffer any discrimination individual nations choose to apply to her. However, this is not the situation we have, even to the degree of applying "reciprocal" treatment.

16. The "law" as it seems to apply according to recent interpretations of incidents is:

- (a) The Soviet Union, not accepting western rules was within its legal rights to board a Swedish vessel in the Baltic and search for a Polish refugee in international waters.
- (b) The boarding of a Soviet trawler, suspected of cutting a submarine cable, by a U.S.N. vessel, was an illegal act in international waters.
- (c) It would be illegal for a Canadian destroyer to pick up an instrumentation buoy dropped off the coast in international water by a Soviet research vessel. Such an act would constitute unwarranted interference with legal Soviet activity in international water.
- (d) It is legal for a Soviet ship to recover from the water and keep a piece of military equipment dropped by an aircraft engaged on a defensive patrol over international water. Such equipment is jetsam as soon as released.
- (e) Free floating Soviet fishing equipment is not jetsam. It is illegal to interfere with it.
- (f) The Soviet Union has given neither approval or consent to the locating of submarine cables in international water off our coasts and therefore this constitutes an illegal use of international areas by the U.S.A. The Soviet Union is entirely justified in trawling over cables and cannot legally be

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held responsible for damage.

- (g) Secret underwater cables and detection installations in international waters constitute a hazard to the trawls of fishing vessels. If Soviet ships seek out and destroy such installations with trawls, their legal position would be strong to claim reparation for damage to nets by unreported hazards placed on the bottom in international territory.
- (h) The USSR fishing fleet can legally enter any Canadian harbour without warning and can legally claim to be immune from search in accordance with international agreements in which they refuse to participate.
- (i) The USSR can legally arrest any vessel within 12 miles of its shores.
- (j) The Soviet Union can impose an impossible burden of establishing proof for the following operations which would be morally condemned (illegal) if proven:
 - (i) A submarine declared as a fisheries research vessel but military subordinated as cover for other military submarine deployments.
 - (ii) A military surface force to execute plans or provide control for military operations off our coast in the guise of commercial operations and using vessels of merchant configuration.

SUMMARY

17. It will be seen from the foregoing that:
- (a) Any interpretation that can be imposed becomes "law" to all practical purposes. A very flexible system of traditional and moral rules not binding on any nation that is strong enough to oppose enforcement is all the maritime law we have.
 - (b) Actions and employment do not have any bearing on the classification of vessels into commercial, civilian state operated, and military categories. The decision is made purely on the basis of vessel configuration and the status declared for the ship by the nation to which it belongs. Warships built to look like merchant ships and declared as state owned vessels can be operated with the privilege of informal merchant movement, and the immunity of search accorded as a courtesy to warships.

CONCLUSIONS

- 18.(a) All operations of Soviet ships off our coast including military deployments can be interpreted as legal.
- (b) Interference with Soviet operations off our coast can be interpreted as illegal.
 - (c) Overflying of ships cannot be interpreted as illegal but can be construed as a hostile act.
 - (d) Air Defence activities in conjunction with identification of aircraft approaching America from seaward can be interpreted as illegal interference with freedom of movement of aircraft over international waters.

ACTION PROPOSED

19. In the light of these points legality cannot be weighed and interpretations of traditional rules may well render all defensive measures technically wrong and aggressive dispositions technically acceptable within the rules.

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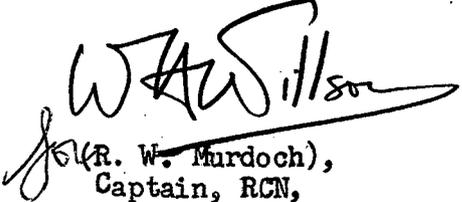
20. It is requested that the JIC direct DNI as to the manner in which the legal factors should be incorporated into this paper, as each act can be considered as legal or illegal dependent on the degree to which international morality influences the interpretation of the rule.

21. Technically, it would appear that the Soviet Union has every right to put missile firing submarines off our coasts, fly bombers off our shores and fire missiles into the Gulf of St. Lawrence and Hudson Bay, and any defensive action would constitute illegal interference with Soviet activity in international waters.

22. Strong legal grounds would, of course, exist for reparations if the Soviet Union failed to declare in advance that these were exercise or firing areas and if as a result of any of these activities, injury to Canadian citizens or damage to Canadian property occurred.

23. The only considerations the Soviet Union requires to weigh are the advantages and disadvantages of her actions in terms of world morality, and possible retaliation. The possibility of being able to cloud both of these factors and to forestall Western action by propaganda means, enables her also to act even in opposition to these considerations when she does not possess the overwhelming power to enforce her will.

24. In accepting situations they have the power to change, the West forfeits to some degree, the "Right of Defence" which so frequently overrides more intangible technicalities.


for (R. W. Murdoch),
Captain, RCN,
DIRECTOR OF NAVAL INTELLIGENCE.

O T T A W A,
24 August, 1961.

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S E C R E T

DNI 61-20

MEMORANDUM TO: Secretary JIC

RECOMMENDATIONS FOR PREPARATION OF JIC PAPER ON THE MARITIME THREAT

This paper requires a balance of conjecture and fact and opinions will vary widely upon the accuracy of conjecture between the view leaning toward accepting the interpretations which present the greatest threat, and the extremely conservative view that no threat can be acknowledged until proven.

2. Criticism of government departments is certain to be implied from any evidence which would indicate that any course of action is open to us to meet the threat. For instance, in DNI's view the RCMP verbal comment that "the employment trawlers to introduce agents and equipment into Canada is unlikely" is not a fair statement alone and should be qualified by an additional clause indicating that this is a result of the thoroughness of inspection and not because the simple act of walking off an inspection-free ship, in fact, presents more problems to Soviet espionage than other means available to them.

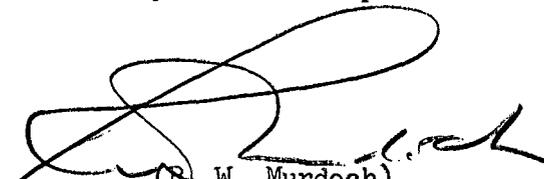
3. The acts of Soviet ships, while not "legal" by our interpretations are certainly not in a class to be categorically declared "illegal".

4. It is recommended that DNI re-draft the paper, not as a threat paper, but as accepted conjecture on the organization and operational concepts of Soviet Maritime forces.

5. It is felt that the indictment of Soviet^{for} action believed to be internationally illegal will not be necessary; the problem of resolving interpretation of solid evidence will be reduced to a lesser one of achieving agreement on what constitutes reasonable conjecture and no implied criticism of existing laws or the actions of government departments will be necessary.

6. The aim is merely to present the problem in its truest light. Vagueness will have to be accepted where criticism by directorates demands a soft line and JIC in committee may have to rule on extreme differences which threaten to destroy the force of the paper.

7. One week will be required for production and it is hoped to produce a brief paper of three or four pages which adequately states the position.


(R. W. Murdoch),
Captain, RCN,
DIRECTOR OF NAVAL INTELLIGENCE.

O T T A W A,
1 September, 1961.

S E C R E T



Department of National Defence

JOINT INTELLIGENCE COMMITTEE

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THE PROBABLE IMPACT OF VARIOUS ECONOMIC
SANCTIONS ON THE SOVIET BLOC

Enclosure: (1) CANADIAN JIC 420/1(61) dated
30 August, 1961.

Enclosure (1) is forwarded for retention and further
distribution where indicated.

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E.A. Blais
(E.A. Blais)
Major,
Secretary.

SEP 6 1961

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CANADIAN JIC 420/1 (61)
30 August 1961.

THE PROBABLE IMPACT OF VARIOUS ECONOMIC SANCTIONS
ON THE SOVIET BLOC

COPY No. 16

OBJECT

1. The purpose of this paper is to outline in economic terms the probable impact of various economic sanctions which might be imposed on the Soviet Bloc by the NATO powers. No attempt is made to assess the political effectiveness of these measures.*

DISCUSSION

2. The possible actions considered are those proposed to NATO by the Four Powers.
- a. The prohibition of the use of all financial facilities of NATO countries to carry on current transactions with the USSR, the Soviet Zone of Germany, the other Soviet Bloc members and their nationals.
 - b. The expulsion of all Soviet Bloc technical experts and foreign trade officials without diplomatic immunity from the NATO countries.
 - c. The freezing of all assets of the members of the Soviet Bloc under jurisdiction of the NATO powers.
 - d. Termination of trade agreements involving Soviet Bloc countries.
 - e. The denial of all exports to Soviet Bloc countries.
 - f. The stoppage of all imports from Soviet Bloc countries to NATO countries.
 - g. The closure of NATO ports to Soviet Bloc shipping and planes and to craft under Soviet Bloc charter.
 - h. The prevention of aircraft of Soviet Bloc countries from making transit overflights and technical stops.
 - i. The prohibition of calling at Soviet Bloc ports of vessels and planes of the NATO countries.

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* This paper should be read in conjunction with CANADIAN JIC 419/1(61) of 30 August 1961 which examines the particular problem of the economic impact on East Germany of a severance of economic relations with the NATO countries.

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The Prohibition of the Use of Financial Facilities

3. The principal communist-controlled financial institutions in the NATO area are the Moscow Narodny Bank in London and the Banque Commercial pour L'Europe du Nord (BCEN) in Paris. The Soviet Bloc countries keep a large part of their foreign exchange balances in these banks and carry out their routine foreign exchange business, including gold sales, through them. These institutions also provide facilities for the short-term financing of Bloc commercial transactions and, on occasion, they have given longer term assistance to individual Bloc countries. The Liaison between Moscow Narodny, BCEN and the Gosbank in Moscow is close and these banks, which are maintained in Europe as a bridge between the Bloc and Western nations, act as highly adaptable finance houses on behalf of the Bloc as a whole. Their importance in East-West economic relations extends beyond Soviet Bloc trade with Western Europe since they are used extensively in transactions throughout the world, including the underdeveloped areas. In addition, the Bloc countries make use of Western commercial banks and they derive indirect benefits from other financial facilities, such as the various export credit insurance services which play an important role in East-West trade.

4. The denial of all these facilities, both communist and western controlled, could only reasonably be undertaken in conjunction with a complete rupture in economic relations the effects of which would extend in some measure to Bloc economic activities throughout the world. Theoretically, in the absence of an embargo on trade, Bloc commercial transactions could be continued through non-NATO banks as well as through barter and other special arrangements. Since, however, the dissolution of the institutional framework of NATO-Soviet Bloc commercial relations could logically be undertaken only in conjunction with a trade embargo, the problem of finding alternative facilities would be limited to continuing transactions with non-NATO countries. Because most Bloc trade with the underdeveloped countries is bilaterally balanced, this problem would not in general be too difficult but in some important commodities, such as rubber from Malaya, which are paid for in sterling or other convertible currencies, the loss of facilities in the NATO area would be a serious blow. However, banking services would be available in certain non-NATO countries, such as Switzerland, and the ability of the Soviet Bloc to earn foreign exchange, for example through sales of gold, would probably be sufficient to maintain imports of any commodities considered essential.

The Expulsion of Non-Diplomatic Technical Experts and Trade Officials.

5. The impact of this action would be of most importance in relation to East Germany. The East German régime has organized a number of trade agencies and trade offices in the western world to further its economic and especially its political objectives. It maintains Chamber of Commerce representatives in Belgium, Denmark, France, Greece, Iceland, Italy, Norway, Turkey and the United Kingdom. In the absence of diplomatic relations these trade agencies have a special importance and are used partly as a substitute for diplomatic establishments. Their functions greatly

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exceed the limits of trade policy and include such activities as propaganda, political reporting and espionage. The expulsion of East German personnel would thus be a major blow to the efforts of the East German régime to gain international recognition and would seriously hamper East German trading activities since, unlike other Bloc members, the East Germans have no diplomatic staffs who can carry on commercial work.

6. We have little information on the precise numbers of other Bloc non-diplomatic personnel in NATO countries. There are a number of organizations such as AMTORG in New York and the Czech foreign trade organization in Montreal which would be affected. However, the expulsion of non-diplomatic personnel would not necessarily or in itself have a major effect on the ability of the Bloc to continue its trading activities. If visits of Bloc technical and scientific personnel were also prohibited, the effect would be more damaging because contacts with western experts and the opportunity to observe western production techniques have undoubtedly been of considerable value in some fields.

The Freezing of Soviet Bloc Assets

7. We are unable to estimate the total size of Soviet Bloc assets in NATO countries. However, in view of the level of Bloc trade with NATO countries (over \$4.5 billion in 1960), they are probably substantial. It should be borne in mind, however, that as of 31 January 1961 outstanding credits granted by NATO countries to the Soviet Bloc stood at \$468 million. Since these credits would not be repaid while Bloc assets were frozen the net loss to the Bloc would be reduced by this amount. The loss of foreign exchange deposits in NATO countries would create serious difficulties for the Bloc but, as suggested above, Bloc governments would probably be able to maintain those economic activities they considered most essential in non-communist countries outside NATO.

Termination of Trade Agreements

8. Most NATO trade with the Bloc is carried out under inter-governmental trade agreements. These agreements do not, however, embody firm commitments to trade at a given level but merely specify goals which each government will seek to reach in its trade. Actual completed contracts often fall short of these goals and, conversely, contracts can be completed without any agreement. Nevertheless, the termination of the agreements would almost certainly result in a severe cutback in trade because the governments concerned would no longer be bound to "facilitate" trade and there would in practice be little point in terminating the agreements unless it were intended to curtail trade by administrative restrictions.

The Denial of Exports to the Soviet Bloc

9. East-West trade constitutes a much larger share of the total trade of the Soviet Bloc than of NATO (See Tables 1 & 2). The share of this trade in the total trade of Soviet Bloc countries ranged in 1959 from 15 to 30 percent. NATO exports to the Bloc

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(including China) totalled about \$1.5 billion in 1959 and increased to \$2.3 billion in 1960. Manufactured goods and machinery accounted for about two-thirds of this amount (See Table 5). These categories include complex capital goods needed for the various Bloc industrialization plans, particularly in the chemical and plastics industries to which a large number of European firms have contributed. For example, the West German firms of Krupp, Bayer, Basf, Fischer and others have supplied equipment for the manufacture of plastics, chemical fibers and polymeric articles. British firms such as Courtaulds, Sterling Moulding Materials and Rustyfa have provided equipment for the production of tires, synthetic fibers and polystyrol. Poland, Czechoslovakia, Rumania and East Germany recently signed a \$31 million polyethylene "know-how" and Machinery agreement with Imperial Chemicals Limited and another UK firm. Many other examples, in products such as chemicals, machine tools, mining machinery, steel pipes, pipelines and ships, could be quoted to illustrate the role of western industry in Bloc development plans and the denial of this trade would unquestionably retard Bloc progress in some of these fields. The loss of imports from NATO would have a particularly damaging effect in East Germany, at least in the short-term. That country would probably lose about 12 percent of its steel supplies in the period immediately following the cut-off of NATO trade.

10. Although the main effects of an embargo would apply to industries, the loss of agricultural commodities could also be serious in some cases. Poland for example has depended on imports of grain from the West in recent years to offset shortages of food and, more recently, China has contracted to buy large quantities of grain. The denial of these food-stuffs would aggravate domestic problems in the countries concerned.

11. Generally speaking, however, foreign trade makes such a small contribution to Bloc national incomes that the loss of imports from NATO would not cause any major economic crisis. There would undoubtedly be delays, shortages and setbacks in some sectors of the economies of some countries, but the overall resources of the Bloc and its independence of non-communist supplies are such that these problems would at the most be a serious inconvenience, which could in part be offset by domestic readjustments and a greater dependence on non-NATO sources. However, the saving in research and development costs, which results from the purchase of advanced western capital equipment, would no longer be available and this would perhaps be the most important economic consequence of the embargo.

The Stoppage of All Imports from the Soviet Bloc

12. Soviet Bloc exports only rarely stem from genuine surpluses in the economy in the sense of an excess of supply over domestic demand. Domestic consumption in certain commodities is planned in such a way that some production is left over for the export. The exports are then used to obtain foreign exchange for the purchase of western goods needed to supplement domestic economic plans. Since a NATO embargo on

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exports to the Bloc would itself eliminate the need for Bloc exports to NATO, Bloc domestic plans would be adjusted accordingly. Details of NATO imports from the Bloc are given in Tables 3 and 4. An indication of their general commodity structure is contained in Table 6.

The Closure of NATO Ports to Soviet Bloc Ships and Planes
(including those under charter from NATO countries)

13. We have no breakdown of total Soviet Bloc foreign trade shipments by types of transportation. However, in recent years between 40 and 50 percent of the foreign trade of the Soviet Union has been carried by sea (only about a third in Bloc ships). Since rail shipments figure more prominently in intra-Bloc trade than in East-West trade, the proportion of Bloc trade with NATO which is carried by sea may well be higher than this. In any event, the denial of NATO ports to Bloc shipping would bring to a halt a large proportion of the trade now conducted between NATO and the Bloc. However, the denial of bunkering facilities in NATO ports, although serious, would not in itself prevent the Bloc from continuing its trade with non-NATO countries. Similarly, the denial of facilities to fishing and research ships would have only a limited effect on Bloc activities in these fields.

14. The denial of NATO airports to Bloc aircraft would eliminate all Bloc air services to NATO countries, specifically to the United Kingdom, Belgium, France, Holland, Denmark, and Italy.

The Prevention of Transit Overflights and Technical Stops

15. This action would create serious problems for the Bloc in re-routing flights to Africa and the Western Hemisphere. Although the TU-114 might make the flight to the Western Hemisphere, by difficult and devious routes, this would not be possible for other Bloc aircraft. Flights to Northwest, West and Central Africa, which now all go via Western Europe, would also be seriously hampered. The only route to Africa would be via the Adriatic (i.e. the present Aeroflot route to Cairo). Present services to the Eastern Mediterranean and beyond, which are principally Czechoslovakian, would be seriously hampered by the denial of overflight privileges in Greece and Turkey. Generally there would be a major disruption of Bloc international air services which would only be overcome with great difficulty, if at all.

The Prohibition of Calling at Soviet Bloc Ports of Vessels
and Planes of NATO Countries .

16. The Bloc is dependent on the West for about two-thirds of the ocean shipping used in its foreign trade. The denial of this shipping would, in addition to its effect on trade with NATO as noted above, have a serious effect on intra-Bloc (particularly Chinese) trade and on Bloc trade with countries such as Cuba. For example, about 40 percent of the tankers used in deliveries to Cuba in 1960 were chartered from the West. The Soviet Union would not have been able to honour its commitments

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for oil deliveries to Cuba without these ships, unless it had seriously dislocated its trade elsewhere. The loss of NATO trade would itself reduce the Bloc requirement for ships but, even so, the Bloc would face severe problems in maintaining both trade within the Bloc and with the non-communist world outside NATO.

17. A prohibition on western air services to the Bloc would be reciprocal to the cancellation of Bloc air services and would affect the same countries as noted above. (Para 14).

Military Effect of Economic Sanctions

18. None of the possible actions considered in this paper would have any effect, for the short term, on the type or number of weapons in the hands of the Soviet Bloc forces nor on the ability of Soviet Bloc defence industries to support them. This aspect of economic sanctions is already in force in the COCOM** regulations which restrict the sale of finished weapons and strategic materials by NATO countries to the Bloc. It is assumed that these regulations would remain in effect and that their implementation would be strengthened at the time of imposition of any or all the other measures discussed.

Probable Soviet Bloc Economic Reactions to Sanctions

19. There are a number of steps which the Soviet Bloc could take to offset, at least in part, the economic effect of the measures discussed above. The most important of these would be as follows:

- a. The reorientation and closer coordination of intra-bloc trade. The denial of NATO sources of supply would incidentally place a premium on the most efficient utilization of Bloc resources and would be an important stimulus to the closer coordination of Bloc economies through the more effective operation of CEMA. Furthermore, the cut-back in East-West trade would enable the Soviet Union to exercise a closer economic control over the Satellites through the allocation of Soviet resources.
- b. The readjustment of domestic economic plans.
- c. The cancellation of repayments on Western credits.
- d. The establishment of alternative banking facilities in non-NATO countries.
- e. The reorientation of trade toward non-NATO countries such as Sweden and Japan.

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** Coordinating Committee for controlling trade in strategic materials. Members include NATO nations and Japan.

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- f. The expansion of arrangements for trading in rubles.
- g. A stepped-up export drive in non-NATO countries, including perhaps disruptive sales of commodities such as oil, sugar and tin.
- h. The use of third country agents to obtain essential commodities from NATO countries.

20. These steps would not entirely eliminate the inconvenience to the Soviet Bloc of a NATO embargo but they would substantially modify its effects.

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TABLE 1

EAST-WEST TRADE AS PERCENTAGE OF TOTAL TRADE
IN BLOC COUNTRIES

Country	Imports	Exports
	1959	1959
<u>A. Soviet Bloc Countries</u>		
Poland	25	31
Hungary	25*	27*
The Soviet-occupied zone of Germany (1)	21	19
Czechoslovakia	18	18
Roumania	16	16
Bulgaria	19*	10*
Soviet Union	15	16

(1) Including trade with Western Germany.

* Estimated by the Secretariat of the Economic Commission for Europe. Source: Economic Bulletin for Europe Vol. 11 No.2 Vol. 12 No. 2.

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TABLE 2

EAST-WEST TRADE AS PERCENTAGE OF TOTAL TRADE
IN THE EUROPEAN NATO COUNTRIES

Country	Imports		Exports	
	1959	1960	1959	1960
<u>B. NATO Countries</u>				
Belgium-Luxembourg	2.2	1.9	1.8	2.5
Denmark	4.5	4.3	4.0	3.8
France	3.1	2.5	2.8	3.2
Federal Republic of Germany (1)	6.4	6.7	5.8	6.0
Greece	7.4	12.0	16.5	22.0
Iceland	30.6	22.7	33.7	23.2
Italy	4.6	5.6	4.1	4.7
Netherlands	2.8	2.1	1.6	1.6
Norway	3.5	3.2	4.7	4.4
Turkey	9.6	9.1	11.5	12.2
Portugal	1.0	..	2.1	..
United Kingdom (2)	2.9	3.1	2.1	2.6

(1) Including interzonal trade.

(2) Excluding re-exports.

Source: Economic Bulletin for Europe Vol.11 No. 2 and Vol.12 No. 2
 and for 1959 and 1960 : OEEC Statistical Bulletins.

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TABLE 3

NATO TRADE WITH SINO-SOVIET

BLOC - 1959 (million \$)

NATO COUNTRIES		BULGARIA	CZECHO SLOVAKIA	EAST GERMANY	HUNGARY	POLAND	RUMANIA	USSR	C.CHINA	TOTAL
BELGIUM/LUX	Exports	4.9	14.2	8.4	7.7	14.2	3.0	7.5	33.5	93.4
	Imports	1.0	10.9	12.9	4.6	8.9	3.2	32.7	8.7	82.9
DENMARK	Exports	.7	7.5	18.9	2.9	13.8	1.1	15.1	3.5	63.5
	Imports	.1	7.1	14.9	2.7	18.9	.5	28.7	16.7	89.6
FRANCE	Exports	7.6	15.4	8.3	13.6	14.3	8.8	90.1	39.8	197.9
	Imports	2.7	13.0	7.0	7.2	14.5	14.8	101.0	16.2	176.4
GREECE	Exports	2.0	8.1	2.2	3.4	4.2	1.9	11.8	--	33.6
	Imports	2.1	--	2.7	8.7	4.8	5.0	16.0	.3	39.6
ICELAND	Exports	--	5.1	3.5	--	1.2	--	11.9	--	21.7
	Imports	--	5.0	6.6	.1	2.0	--	15.2	--	28.9
ITALY	Exports	16.7	10.4	6.3	16.3	16.5	--	43.6	36.4	146.2
	Imports	7.1	15.1	5.9	15.2	21.3	11.4	78.0	13.2	167.2
NETHERLANDS	Exports	5.3	8.3	11.4	4.6	14.3	2.5	12.0	11.1	69.5
	Imports	1.6	16.9	15.5	4.0	7.5	1.7	63.0	22.0	132.2
NORWAY	Exports	.8	5.8	6.7	1.0	4.5	2.8	16.1	13.2	50.9
	Imports	.1	--	8.3	10.4	4.6	2.8	18.6	2.6	47.4
PORTUGAL	Exports	--	2.2	.5	.2	1.1	.4	1.6	--	6.0
	Imports	--	1.5	.3	.1	.7	--	1.7	--	4.3
TURKEY	Exports	1.2	11.7	8.7	6.5	7.5	.5	4.8	--	40.9
	Imports	.7	12.5	11.1	3.9	6.0	1.4	6.6	--	42.2

(cont'd)

TABLE 3

NATO TRADE WITH SINO-SOVIET

BLOC - 1959 (million \$)

NATO COUNTRIES		BULGARIA	CZECHO SLOVAKIA	EAST GERNANY	HUNGARY	POLAND	RUMANIA	USSR	C.CHINA	TOTAL
U.K.	Exports	6.3	22.6	11.7	11.9	46.4	6.6	97.6	69.4	272.5
	Imports	4.4	25.4	12.9	8.9	91.5	—	175.5	55.2	373.8
CANADA	Exports	.2	5.2	—	1.2	16.3	—	13.3	7.4	43.6
	Imports	—	6.8	.9	.3	1.9	—	2.4	5.1	17.4
U.S.	Exports	.7	2.5	1.0	1.1	74.8	1.8	7.4	—	89.3
	Imports	1.0	11.8	4.1	2.0	31.8	1.2	28.3	—	80.2
W.GERMANY	Exports	40.7	59.9	255.8	35.9	70.0	16.4	91.0	128.7	699.4
	Imports	15.3	56.3	212.3	43.4	81.1	24.9	103.0	66.2	602.5
TOTAL	Exports	87.1	178.9	344.4	106.3	299.1	45.8	423.8	343.0	1,828.4
TOTAL	Imports	36.1	182.3	315.4	111.5	295.5	66.9	670.7	206.2	1,884.5
TURNOVER		123.2	361.2	659.8	217.8	594.6	112.7	1,094.5	549.2	3,713.0

SOURCE - U.S. Bureau of Foreign Commerce

TABLE 4

NATO TRADE WITH SINO-SOVIET BLOC - 1960 (million \$)

NATO COUNTRIES		BULGARIA	CZECHO-SLOVAKIA	EAST GERMANY	HUNGARY	POLAND	RUMANIA	USSR	C. CHINA	TOTAL
BELGIUM/LUX	Exports	5.1	23.3	13.0	12.0	16.3	7.7	19.0	44.5	140.9
	Imports	2.0	12.9	15.6	5.0	9.6	3.7	28.6	9.9	87.3
DENMARK	Exports	.3	6.5	18.8	2.0	13.4	.7	16.4	2.1	60.2
	Imports	.2	9.1	14.4	3.2	22.4	.3	29.3	17.0	95.9
FRANCE	Exports	7.1	16.7	14.1	18.6	21.6	25.1	115.6	52.8	271.6
	Imports	3.9	11.4	7.0	8.2	15.0	14.4	94.7	22.7	177.3
GREECE	Exports	2.8	7.1	2.2	5.1	6.3	2.5	18.8	-	44.8
	Imports	1.8	10.4	1.6	5.2	4.6	3.4	28.3	-	55.3
ICELAND	Exports	-	2.7	2.6	.1	.9	.1	9.9	-	16.3
	Imports	-	3.3	3.2	-	1.6	-	12.3	-	20.4
ITALY	Exports	8.0	16.9	6.9	22.6	20.6	16.3	78.6	39.7	209.6
	Imports	13.7	23.1	14.5	19.3	37.0	31.5	125.8	24.0	288.9
NETHERLANDS	Exports	1.6	10.6	15.5	5.7	14.2	3.2	11.8	6.9	69.5
	Imports	1.2	18.2	18.7	4.4	8.1	2.3	44.4	21.3	120.6
NORWAY	Exports	1.2	7.2	8.4	1.5	5.1	2.2	12.9	4.1	42.6
	Imports	.1	9.2	8.2	1.8	4.6	2.7	19.4	3.1	49.1
PORTUGAL	Exports	.1	1.6	.6	.3	1.2	.8	2.5	.3	7.4
	Imports	.	1.4	.5	.1	.8	2.7	2.3	.2	8.0
TURKEY	Exports	1.6	14.8	6.2	7.0	3.6	1.1	4.9	-	39.2
	Imports	1.5	11.7	7.9	5.2	8.6	1.7	5.9	-	42.5
UK	Exports	7.7	24.8	23.2	12.6	41.0	11.9	149.0	89.7	359.9
	Imports	6.3	31.5	17.5	12.1	100.1	11.1	209.8	69.7	458.1

(CONT'D)

TABLE 4

NATO TRADE WITH SINO-SOVIET BLOC - 1960 (million \$)

NATO COUNTRIES		Bulgaria	CZECHO-SLOVAKIA	EAST GERMANY	HUNGARY	POLAND	RUMANIA	USSR	CHINA	TOTAL
CANADA	Exports	.5	7.0	1.0	1.0	17.4	1.4	8.5	9.0	44.4
	Imports	-	6.8	.9	.3	1.9	-	3.3	5.8	19.0
US	Exports	-	4.5	3.9	1.6	143.0	.9	39.2	-	193.1
	Imports	.8	12.2	13.1	1.8	38.8	1.5	22.6	.2	81.0
W. GERMANY	Exports	29.2	65.2	229.0	53.0	72.4	35.7	185.3	95.5	765.3
	Imports	19.7	61.7	267.5	44.5	76.3	42.9	158.5	69.4	739.6
Total	Exports	65.2	208.9	345.4	143.1	377.0	109.6	672.4	344.6	2,266.2
	Imports	51.2	222.9	380.6	111.1	329.4	117.3	785.2	243.3	2,241.0
Turnover		116.4	431.8	726.0	254.2	706.4	226.9	1,457.6	587.9	4,507.2

Source - US Bureau of Foreign Commerce.

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TABLE 5

THE STRUCTURE OF
OEEC MEMBER COUNTRIES' EXPORTS TO EASTERN COUNTRIES *
IN 1959

<u>COMMODITY GROUP</u>	<u>AS % OF TOTAL</u>
Food, beverages & tobacco	10.6
Crude materials	11.0
Mineral fuels	0.1
Oil and fats	1.3
Chemicals	9.9
Manufactured goods	34.5
Machinery and transport equipment	29.0
Miscellaneous manufactured articles	2.8
Miscellaneous	0.8
<u>Total</u>	<u>100.0</u>

Source: OEEC Report (C(60)176) on Trade Relations in 1959 with Monopoly State Trading Countries.

* Including China and Yugoslavia.

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TABLE 6

THE STRUCTURE OF
OEEC MEMBER COUNTRIES' IMPORTS FROM EASTERN COUNTRIES *
IN 1959

<u>COMMODITY GROUP</u>	<u>AS % OF TOTAL</u>
Food, beverages & tobacco	26.8
Crude materials	22.9
Mineral fuels	20.6
Oil and fats	0.4
Chemicals	5.8
Manufactured goods	14.8
Machinery and transport equipment	5.3
Miscellaneous manufactured articles	2.9
Miscellaneous	0.5
<u>Total</u>	<u>100.0</u>

Source: OEEC Report (C(60)176) on Trade Relations in 1959 with Monopoly State Trading Countries.

* Including China and Yugoslavia.