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REPORT ON TRENDS OF SOVIET POLICY

April to December, 1953

Note by the Chairman of the Working Group

The Working Group on Trends of Soviet Policy, in accordance with the Council's decision of 21st October 1953, (1) submit at Annex their Report on Trends of Soviet Policy. This Report was completed on 4th December, 1953. Attached to the Report is an Appendix prepared by the Secretariat, giving a chronology of events.

2. In addition, believing this might be useful to the Council, the Working Group have also prepared certain preliminary lines of thought on possible NATO policy vis-a-vis the Soviet Union. These lines of thought are based on an assessment of the annexed Report. The document(2) in which they are incorporated has been distributed to Delegations.

(Signed) S. FENOALTEA

Palais de Chaillot,
Paris, XVIIe.

(1) C-R(53)43

(2) AC/34-WP/2/8

REPORT ON TRENDS OF SOVIET POLICY

April to December, 1953

PART I

SUMMARY AND CONCLUSIONS

A. Soviet Internal Policy

The transition from Stalin's autocracy to rule by a small group apparently headed by Malenkov seems to have been successfully completed. Manoeuvring for position as indicated by the Beria episode probably continues, but we cannot identify the contending factions and personalities with any certainty. On present evidence there does not appear to be any threat to the stability of the régime. The Soviet leaders have made some concessions to the Soviet people. While continuing to give first priority to heavy industry, they have announced their intention of raising standards of living considerably in the next two or three years. They are specially concerned to try and remedy the admittedly serious state of affairs in the Soviet countryside. But there has been no change in basic ideology or in the totalitarian structure of Soviet life; and Soviet preparedness for war is being maintained at a high level.

B. Soviet Foreign Policy

2. The Soviet leaders have made a number of moves designed to reduce international tensions and to give the appearance of conforming more nearly to international norms. Increasing Western strength and cohesion, subtler estimate of tactics which would encourage divisive tendencies in the West, and internal pressures within the Soviet bloc may all have played a part in causing this new turn in Soviet policy. But, although the Soviet Note of November 26 may open the way for Four-Power talks, it contains no hint that there has been any basic change of attitude. The Soviet Government often repeat that there is no problem which cannot be solved by negotiation, but they have yet to show a genuine desire to reach negotiated settlements. Nevertheless, they do not seem to wish international tension to increase. Their position on matters of major interest to them - the future of Germany, control of the Satellites, subversive movements throughout the world and particularly in Colonial territories, atomic weapons - has not weakened. They still aim at dividing the North Atlantic Powers, and in the long run at the overthrow of democratic governments.

3. Throughout this analysis, it should be borne in mind that a more definite assessment of Soviet intentions must wait until the Conference table is reached. The possibility should not be excluded that while the ultimate aims of the Soviet Government remain unchanged, their methods and tactics can undergo considerable mutations in order to take advantage of circumstances.

PART II

SOVIET INTERNAL SITUATION

4. As far as we can see, the Soviet régime has successfully overcome the crisis of Stalin's death. Beria's fall suggests some internal conflict (it is impossible to believe that he had no allies), but it would be unwise to count on the existence of any serious internal threat to the régime's stability.

A. Differences from Stalin's Régime

5. No supreme leader has emerged though it becomes increasingly clear that Malenkov is primus inter pares. Khrushchev's position has improved significantly. Collective rule is decreed the order of the day at all levels; loyalty is to be towards the Party rather than individuals. The cult of Stalin has been discontinued, though his past contributions to Soviet doctrine are still recognised.

6. Certain apparent changes have been made by the post-Stalin régime in the Soviet power structure. More emphasis is being given to the rôle of the Communist Party, and leading organs of the Party have probably increased their influence. The scope of the security police seems to have been restricted, with the apparent intention of bringing the police back under the control of the Party. The extent of army influence on the administration is impossible to judge. It has probably increased since Stalin's day, and Zhukov was appointed Deputy Minister of the Armed Forces immediately after Stalin's death; but, on the whole, the Army leaders are being kept in the background. In short, the Party apparatus, led presumably by Malenkov and Khrushchev, appears to have established its leading position.

7. Limited but important concessions have been made to the private citizen:

- (a) Political - The Amnesty, termination of the doctors' plot and incipient purge; emphasis on the individual's rights; some concessions to local feeling in the non-Russian Republics.
- (b) Economic and Social - A larger annual price reduction; a smaller compulsory loan; institution of reasonable hours of work in government offices; the promise of a sharp rise in the standard of living within the next two or three years; and incentives to the peasants to increase production, particularly of meat and dairy products, both in the collective farms and on their private plots.

8. It is probable that some of the changes mentioned above were connected with the process of consolidating the post-Stalinist régime, and the Soviet Government may have taken into account in framing their policies the reaction of Soviet consumers, peasants and national minorities. It is still not possible on the evidence available to draw firm conclusions on the Beria affair and the doctors' plot. Beria's fall, however, does suggest that genuine collective rule is incompatible with the totalitarian nature of the Soviet State. Trouble behind the scenes is also suggested by the wavering of Soviet policy over two of the matters mentioned above. First, while more local nationals are still being appointed to official positions in the non-Russian republics, propaganda is once again stressing the value of the Russian

connection. Secondly the theme of the protection of the individual's rights under the law has faded away, and the promised revision of the Penal Code has not yet materialised.

9. The new emphasis on raising the standard of living, particularly in the countryside, is probably more than a tactical move. The prevailing state of inefficiency in agriculture as confirmed in Krushchev's recent report, has forced the Soviet Government to undertake far-reaching measures to increase output and improve quality. However, they have not modified the collective farm system in any way, and Party control is to be increased. The failure to find an adequate solution of the rural problem will continue to be a brake on the Soviet Union's economic development as a whole. The same considerations apply even more forcibly to the Satellites.

10. The Soviet leaders' proposal to raise consumption levels seems bound to run into difficulties so long as they continue their present policy which, in spite of the apparent suspension of some of Stalin's pet projects such as the Grand Turkmen Canal, is still to devote much the larger part of their resources to heavy industry. In any case, they clearly intend to continue to use the stick as well as the carrot in their efforts to match their economic aims with their capabilities.

B. Old Policies Continued

11. In three major respects the Soviet Union has not changed at all:

- (a) The Soviet Union remains a formidable military and industrial Power, and there is no reason to believe that the consumer drive will lead to a reduction in the size and efficiency of the Soviet armed forces. On the contrary, the Soviet budget shows that revealed estimated expenditure on defence in 1953 is higher than the sum said to be actually spent in 1952; and the big increase in unspecified expenditure in the Soviet budget for 1953 makes it unwise to assume that total expenditure on defence is not still rising. The Soviet Union's successful thermo-nuclear explosion is another proof of the immense resources now allotted to preparedness for war. There may be a certain levelling-off in the provision of conventional military equipment, of which there are now probably ample stocks. This equipment, however, is continually being brought up to date.
- (b) The Marxist-Leninist ideology remains the guiding creed of the Soviet leaders, and there has been no sign of any tendency to alter its main tenets. The Communist Society still remains the goal. This ideology, in which the Soviet masses are continually indoctrinated, includes the assumption of inevitable struggle between the Socialist (in the Soviet sense) and non-Socialist world - which rules out the possibility of any genuine and lasting settlement between them. The current advocacy of "peaceful

co-existence" (1) does not in any way detract from Soviet belief in the ultimate disintegration of the Western economies and the overthrow of capitalism, or weaken the continuing Soviet efforts to undermine Western Society, wherever the opportunity presents itself.

- (c) The totalitarian structure of the Soviet State is unaltered. The Party retains its monopoly of control over the minds and activities of all Soviet citizens. Political indoctrination is continuing on the widest scale; and special measures have been taken to tighten Party control in the countryside. The circumstances of Beria's fall show how easily the State can revert to the arbitrary methods of Stalin's day.

C. The Satellites

12. Policy in the Satellites has followed the trends observed in the Soviet Union, though with some odd delays and discrepancies. There has been a similar and even more definite shift in economic policy in favour of agriculture and consumer goods. The cult of the individual leader has been suppressed, and there have been changes in the organization of ministries and in leading appointments which have been roughly analagous to those in the Soviet Union. It is clear that the Kremlin retains firm control and has no intention of relinquishing it.

(1) The Report on Trends in Soviet Policy prepared for the Ministerial Meeting in December 1952 (document C-M(52)116) states in paragraph 29: "Peaceful co-existence" is in fact no more than the Soviet name for the Soviet policy that we call "all mischief short of war". In no sense does it mean abandoning the struggle between the two camps; it means only refraining from the riskier forms of direct action. The Soviet concept of "peace" demands that the Soviet Union shall be free to augment its own strength and undermine the strength of the non-Communist world; all efforts or combinations by the non-Communist powers to protect themselves are denounced as "hostile acts" against the Soviet Union.'

PART III

SOVIET FOREIGN POLICY

13. There has been no sign that the Soviet Union's basic hostility to the Western world has been modified, or its aggressive aims abandoned. But its tactics have been cautious, and the Soviet leaders have at times appeared to be uncertain of their ground.

A. Germany and Austria

14. In the West the basic objectives of the Soviet Government are to frustrate the policies of the North Atlantic Alliance. They are determined to prevent the integration of a unified Germany within the Western European community, and would like to delay the association of the Federal Republic with Western defence. Their long-term aim is to isolate Germany from the West so that eventually it may fall under Soviet domination. In line with this policy the Soviet Note of November 3 strongly suggested that the Soviet Government were determined to make any German settlement conditional upon the scrapping of EDC, the elimination of NATO bases and the withdrawal of US forces from Europe and the Near East. The Note of November 26, agreeing to a Four-Power Conference, though emphasising, as did the previous Note, the scrapping of EDC and attempting to connect it with the settlement of the German problem, is probably only a change of tactics. It gives at any rate no indication of any shift in the Soviet Government's basic attitude towards the German settlement. The Soviet Government evidently decided after the riots of June 17 and Adenauer's victory in the West German elections that they could not afford to relax their hold on East Germany. Their immediate preoccupation in Europe, therefore, is to build up the prestige and power of the East German Government, and at the same time to step up their diplomatic and propaganda offensive against the Western Alliance, especially against the EDC. It was probably with the latter purpose in mind that the Soviet Government in their Note of November 26 dealt at some length with the question of European security which they suggested as a subject for discussion at the proposed Berlin Conference. They probably calculate that if the general question of European security can be represented to the peoples of Europe as sub judice it would be easier for the Kremlin to try to prevent the coming into force of the EDC. It is also probable that the Soviet agreement to a Four-Power meeting was motivated by a desire to counteract adverse Western reaction to the intransigent tone of the November 3 Note. In earlier Notes the Soviet leaders have made it clear that they are not prepared to risk free all-German elections; in their order of priority a provisional all-German Government, in which their nominees would have a place, would come first; and such a Government would not be able to join in a Western defence system. Elections would be postponed until the Communist position was assured. Although there is no reference in the latest Soviet Note to the question of priority there is no indication in the Note that they have now changed these views. Indeed, there may be even reason to doubt whether the Soviet Government will accept any serious discussion on the German problem, unless time and their own disruptive tactics have made their position easier by increasing the difficulties of the Western World. They have also found specious excuses to delay consideration of the Austrian Treaty.

B. Conciliatory Gestures

15. Even before Stalin died there were signs that the Soviet leaders might be seeking, if only for tactical reasons, some détente in international affairs. On succeeding to power the present leaders, however, took immediate steps to lower the international temperature by making their propaganda less abusive and by minor practical concessions. Apart from fears for their own security they may have decided that less aggressive tactics would pay better in political warfare; Stalin's methods had at some points been too heavy-handed, incurring hostility without compensating advantages. The Soviet Government's international language has become less propagandistic, though attacks on the Western powers, particularly the United States, have been intensified since the Berlin rising. The flow of minor concessions has tended to dry up for the time being; and with the exception of the Korean armistice (see paragraph 17) there is no major question on which they have shown a readiness to meet the Western view. Instead, the Kremlin has reaffirmed, in increasingly uncompromising language, the traditional Stalinist positions.

16. In his speech of August 8 Malenkov said that the Soviet Government attached special importance to the development of good-neighbourly relations with the States along the Soviet borders (Persia, Turkey, Finland and Afghanistan). Frontier Commissions have been established between Yugoslavia and her Soviet-dominated neighbours; and Bulgaria has offered to settle peacefully all disputes with Yugoslavia, Greece and Turkey. In a Note to the Turkish Government of May 30 the Soviet Government had declared that they had no territorial claims against Turkey and now saw their way to reaching a mutually acceptable arrangement for ensuring the security of the area of the Straits. However, in two Notes addressed to the Turkish Government in July the Soviet Government protested that the visits of British and United States warships to Istanbul constituted a military demonstration. These Notes are new evidence that the basic unfriendly attitude of the Soviet Government towards Turkey has not changed. At the same time they represent a form of pressure to detach Turkey from NATO; they aim at placing on Turkey the responsibility for the continuance of unfriendly relations, and also at intimidating other neighbours of the Soviet Union. A similar intent was evident in the recent Soviet Note to Greece protesting vehemently against the agreement with the United States to establish bases on Greek territory. The Soviet leaders are as usual obviously trying to detach from the United States as many as possible of her allies and potential allies.

C. Asia

17. The Soviet agreement to the Korean armistice was probably dictated not only by Korean and Chinese considerations (the Chinese in particular seem to have wanted the war to end), and by Soviet political requirements, but also by Soviet unwillingness to accept the continued demands on her industrial resources which the Korean war imposed. While it is impossible to tell which factors are decisive ones, there is some ground for supposing that the Soviet Union and China want the continuance of the armistice. Beyond that, the signs are far from clear. The convening of a political conference has already run into difficulties and delays. If it does meet, the prospects that the Soviet Union and her allies will agree to the unification of Korea on terms acceptable to the West are extremely doubtful; as in Germany, the Kremlin is probably unwilling

to face the political and military consequences of abandoning a foothold once gained.

18. The post-Stalin régime have made special efforts to keep the support of their Chinese ally. Naturally no differences have been allowed to appear. Though there are several potential points of friction between the two countries (e.g. which one is to run North Korea), their present interests in major matters seem to coincide; and it must be assumed that they will continue to act in concert.

19. South and South-East Asia seem to be a special target for Communist activity, with China playing a leading rôle. In Indo-China the Communist Viet-Minh is supported by the material and propaganda resources of the Soviet bloc. In Malaya and Burma the Communist terrorists continue in armed insurrection, and throughout the area Soviet subversive tactics are aimed at the creation of united fronts and the undermining of established governments. In Indonesia Communist efforts and infiltration, especially in the Trade Unions, give increased cause for concern. While continuing their efforts to build up the Communist Party in India, the Soviet Government have found it convenient to be particularly conciliatory to the Government of India.

D. Peace Campaign and Subversive Tactics

20. The Peace Campaign seems to have lost much of its élan. Its rôle of actively dividing peoples from their governments has fitted ill with the present Soviet tactics of seeking a certain détente between the two camps; and in any case, thanks to the counter-measures taken by Western Governments, its slogans have begun to wear very thin. Its programme has become vaguer than ever, and at the meeting of the World Peace Council at Budapest in June the emphasis was laid on the importance of supporting any initiative from whatever quarter for a peaceful settlement of international differences. The Movement's main function at the present time is to encourage neutralism and wishful thinking.

21. Soviet subversive tactics throughout the world have continued. On the mass organizations front, the WFTU seems to be in the vanguard rather than the Peace Movement; the latter, however, still carries on extensive activities. The WFTU Congress at Vienna in October showed that the Communist political and propaganda offensive against the free world was now to be intensified, and that every effort would be made to exploit the grievances not only of the working class but also of peasants and middle classes. The Soviet and Communist inspiration of these activities would be disguised. In accordance with classic Soviet policy, special attention would be paid to the colonial territories where the main slogan in the offensive would continue to be that of "national liberation". Throughout this year Soviet support of "colonial liberation struggles" has been frequent and explicit, though the Soviet Union has not taken any undue risk (e.g. in Persia) to further them.

E. Soviet Trading Policy

22. In several public pronouncements since Stalin's death the Soviet Government have stated their wish to develop trade relations with all countries on a basis of mutual advantage and equality. Whatever their economic objectives may be in their trading policy,

Soviet propaganda on this question increasingly serves their political purposes. The Soviet Government may well want some increase in trade on genuinely economic grounds: a more liberal import policy would be consistent with their declared wish to do more for the consumer. Recent agreements, which provide for a considerable increase over the existing level of trade between the Soviet Union and certain West European countries, may be some indication of Soviet willingness to expand trade within the existing controls. It seems likely that such an expansion will be relatively small, both in relation to Soviet consumer needs and the total of Western trade. Moreover, the Soviet Government usually insist on exchanging like for like, and as a rule are reluctant, for example, to use foreign exchange obtained from the export of "essentials" to purchase "non-essentials" (although in recent months there has been a number of exceptions to this). There is little sign of the Soviet bloc entering capitalist markets in the next few years on a significantly larger scale than before, as Stalin prophesied last October they would soon be able to do. There is no reason to think that economic self-sufficiency is not still a basic Soviet aim.

23. Perhaps the most objectionable development in Communist trading policy is the tendency, especially since the Moscow Economic Conference of April 1952, to channel East-West trade on an increasing scale through individuals and organizations connected with the international Communist movement. It seems probable that this tendency will continue to develop, but only slowly: while the Soviet Government are always willing to use trade for political purposes they are unlikely, in so doing, to accept any economic sacrifice. At present the great bulk of their trade with the West still flows through normal business channels.

F. High-Level Talks

24. Soviet leaders have combined a professed desire for negotiations on major outstanding problems with an obvious reluctance to negotiate such problems on acceptable terms and, up to November 26, continued to place obstacles in the way of a Four-Power meeting. Far from taking advantage of the opportunities offered them, they laid down successive conditions which grew increasingly difficult. Their change of attitude can no doubt be attributed, at least in part, to the unity of action displayed by the Western Powers. The Kremlin has perhaps realised that its obstinacy was helping to achieve the realisation of the plans which it feared the most. At the same time, it is perhaps possible that this obstinacy had no other purpose than to hold up until the most opportune moment the conciliatory gesture of agreeing to take part in a Four-Power conference, thereby emphasising its importance. In their efforts to frustrate free world solidarity Soviet leaders are following classic Soviet policy of promoting disagreement and difficulties among Western nations. While professing their interest in the problem of security, the Soviet Government still seem mainly concerned with demolishing collective security safeguards built up by the West.

SELECTED LIST OF SOVIET MOVES
SINCE 15th June, 1953

A. INTERNAL

JUNE

- 24 The total of the compulsory state loan for 1953 is only half as large as for 1952.
- 26 Decree of the Praesidium of the Supreme Soviet dismissing BERIA. (The news is kept secret until 10th July.)
- 26 Ministerial reshuffle. Ministry of Engineering is split into two.
- 28 Finance Minister ZVEREV denies Moscow rumours of an impending monetary devaluation.

JULY

- 10 Arrest of BERIA announced.
- 15 Dismissal of DEKANAZOV, Minister of the Interior for Georgia.
- 19 Dismissal of BAGUIROV (Azerbaijan).
- 22 The Assembly of the Supreme Soviet deferred from 28th July until 5th August.
- 27 MELNIKOV appointed Ambassador to Rumania.
- 28 General of Cavalry INACOURI appointed Minister of the Interior for Georgia.

AUGUST

- 4 An official communiqué on the arrival of a Chinese exhibition reveals that KHROUCHTCHEV takes third place in the state hierarchy (after MALENKOV and MOLOTOV).
- 5 Fifth Session of the Supreme Soviet of the USSR.
- (1) Drafting of the agricultural tax bill.
- (2) MALENKOV announces a new agricultural policy and confirms the desire of the Soviet Government to foster the production of consumer goods.
- (3) No debate on BERIA: ratification, pure and simple, of the decree of dismissal dated 26/6.
- 20 Soviet Government communiqué on hydrogen bomb.

SEPTEMBER

- 3 Report on agriculture by KHROUCHTCHEV to the Central Committee of the CPSU (issued on 7/9).
- 7 KHROUCHTCHEV elected First Secretary to the Central Committee.
- 15 Splitting of certain Ministries (Trade, Agriculture, Consumer Goods, Air Transport, Mines Prospecting).
- 17 Further communiqué on atomic bomb tests.
- 22 In Georgia, dismissal of BAKRADZE, and ministerial changes reflecting a return to centralisation as part of the Greater Russia policy.
- 26 Decrees on the promotion of stock-farming and the reduction of the compulsory delivery quotas.

OCTOBER

- 23 Decision of the Council of Ministers and the CC of the CPSU on the expansion of home trade.
- 30 The Council of Ministers and the CC of the CPSU announce that 8,500 billion roubles will be invested next year in food processing.

NOVEMBER

- 19 The Minister of Food Production ZOROV announces campaign to expand Soviet food industry.
- 26 Soviet Ministry of Agriculture and Agricultural Supplies is divided into two separate Ministries.
- 29 Announcement of the dismissal of ANDRIANOV, Communist First Secretary for the Leningrad Area.

B. EXTERNAL

JUNE

- 11 AUSTRIA: Note from Western Powers to Moscow inviting Soviet proposals for a Peace Treaty on Austria.
- 16/22 World Peace Conference at Budapest.
- 16 BERLIN: Workers demonstrate in the Stalinallee.
- 17 EASTERN GERMANY: The Politbüro of the SED withdraws the measures raising output quotas.
- 17 BERLIN: Intensification of disturbances. Soviet troops intervene. State of emergency declared.

JUNE

- 18 KOREA: Agreement on the demarcation of the armistice line. Mass escapes of North Korean prisoners.
- 21 EASTERN GERMANY: Meeting of the Central Committee of the SED. Measures adopted to improve the living conditions of the middle and working classes.
- 23 Relaxation of restrictions on the movements of foreign diplomats initiated by Moscow.
- 24 BULGARIA: The Bulgarian Government declares its readiness to enter into negotiations with Greece for the settlement of frontier disputes.
- 26 Exit visas granted to Soviet wives.
- 30 CZECHOSLOVAKIA: Announcement of measures to check absenteeism.

JULY

- 4 HUNGARY: Programme of the new NAGY Government: relaxation of police control, introduction of some degree of economic freedom and restraints on further industrialisation.
- 6 RUMANIA: Improvement in food supplies (bread, flour, sugar) and abolition of fines on farmers.
- 11 HUNGARY: Speech by RAKOSI narrowing down the scope of the concessions made by NAGY.
- 12 BERLIN: End of state of emergency.
- 14 WEST BERLIN: Free food offered to inhabitants of East Berlin.
- 15 Note by Western Powers to the USSR proposing a Four-Power Conference with a view to:
- (1) organizing free elections throughout Germany;
 - (2) exploring the conditions governing the establishment of an all-German government;
 - (3) drawing up an Austrian Peace Treaty.
- 15 GENEVA: Economic and Social Council. Soviet offer to contribute towards the United Nations technical assistance programme.
- 18 TURKEY: Reply to the Soviet Note of 30th May.
- 20 EASTERN GERMANY: Soviet promise to make more food and cotton available.
- 20 TURKEY: Soviet Note protesting against the frequency of recent visits to Istanbul by UK and US warships. Additional information requested.

JULY

- 22 BERLIN: The Soviet High Commissioner calls on the United States authorities to cease distributing food to the inhabitants of East Berlin. The demand is rejected the following day by the United States High Commissioner.
- 22 TEL-AVIV: Resumption of diplomatic relations between USSR and Israel.
- 24 TURKEY: Reply to the Soviet Note of 20/7.
- 24/26 EASTERN GERMANY: XVth Session of the Central Committee of the SED. Purge of the Central Committee. Victory of Ulbricht.
- 27 KOREA: A Soviet transport aircraft shot down in North Korea. Armistice signed in an atmosphere of tension.
- Message from MALENKOV to KIM IL SONG offering USSR assistance to North Korea.
- 29 AUSTRIA: Soviet Note:
- (1) Does the Austrian Government reject the proposed abbreviated Treaty?
 - (2) The Soviet Government forgoes occupation costs as from 1st August.
- 29 FAR EAST: A United States B.50 is shot down off Siberian coast.
- 31 TURKEY: Soviet reply to the Turkish Note of 24th. "The growing frequency of visits of foreign warships between 1950 and 1953 shows that the Soviet request for additional information was justified."
- 31 AUSTRIA: Soviet reply to the Notes of the Western Powers. Do the three Powers maintain or withdraw the proposed abbreviated Treaty? Negotiations might be resumed if the scheme is abandoned.

AUGUST

- 2/15 Youth Festival at Bucharest.
- 2 NORTH KOREA: Dismissal of the Foreign Minister and his replacement by General NAM IL.
- 3 ALBANIA: After Hungary, Rumania and Bulgaria, Albania accepts a Yugoslav proposal to set up joint commissions to investigate frontier incidents.
- 4 The Soviet Note in reply to the Note of the Western Powers of 15th July proposes the following agenda:

AUGUST

- 4 (1) The examination of measures designed to relieve international tension, including,
- reduction of armaments,
 - prohibition of the establishment of military bases on the territory of foreign states,
 - discussion of problems concerning Asia, with the participation of China.
- (2) The consideration of the German problem under the two following heads:
- restoration of German unity,
 - conclusion of a Peace Treaty.

6 ALBANIA: Speech of HODJA advocating a higher standard of living for workers and peasants.

7 NORTH KOREA: Purge of Government.

8 MALENKOV'S SPEECH TO THE SUPREME SOVIET:

- (1) Aggressive with respect to the United States, comparatively moderate with respect to the United Kingdom and France;
- (2) Attack on "the United States policy of establishing bases" in Germany and Japan;
- (3) Hints at a "good neighbour" policy and a return to normal diplomatic relations;
- (4) China should be admitted to the United Nations;
- (5) Two conditions are laid down for a settlement of the German problem: Germany must be demilitarised and must remain outside the "American military bloc" or the EDC.

10 IRAN: Setting up of a joint Soviet/Iran Commission to settle differences between the two countries.

13 A second Soviet Note to the Western Powers puts forward the following proposals:

- (1) A conference to draw up the Peace Treaty with Germany;
- (2) Formation of a provisional all-German Government by direct agreement between Eastern and Western Germany.

This Government, which might co-exist with the two governments of Eastern and Western Germany, would enjoy wide privileges (including representation of Germany during the drafting of the Treaty) and would organise "free elections".

AUGUST

- 13 (3) The easing of Germany's financial and economic obligations connected with the consequences of the war.
- 17 AUSTRIA: Note from the Western Powers to the USSR proposing a meeting of the Deputies on 31st August.
- 19/20 IRAN: Fall of MOSSADEQ. Accession to power of General ZAHEDI.
- 19 HUNGARY: Release of the British citizen SANDERS.
- 20 Communiqué by the Soviet Government on the H-bomb trial.
- 20/22 Negotiations between the USSR and the Government of DDR. The final agreement implements, as regards the Soviet Union and Eastern Germany, the reduction of the financial and economic obligations as proposed to the Western Powers by the Soviet Note of 15th August.
- 23 BULGARIA: Agreement with Greece on frontier demarcation.
- 23 RUMANIA: G. DEJ admits that forcing the pace of industrialisation has created difficulties.
- 28 AUSTRIA: A Soviet Note to the Western Powers rejects the proposal to call a meeting of the Deputies.

SEPTEMBER

- 2 A Note from the Western Powers to the USSR proposes a 4-Power Conference at Lugano on 15th October, to be confined to the discussion of German and Austrian problems.
- 6 WESTERN GERMANY: Success of Mr. ADENAUER in the parliamentary elections.
- 9 EASTERN GERMANY: Speech by ULBRICHT on higher standards of living in the DDR.
- 10 AUSTRIA: The Allied Council decides to remove all restrictions, as from 15th September, on movements of persons and goods.
- 13 NORTH KOREA: Speech by MALENKOV at a reception given in honour of the North Korean Delegation (negotiations of 11th-30th September).
- 19 Communiqué on the grant of financial and economic aid by the USSR to North Korea.
- 25 EASTERN GERMANY: ULBRICHT advocates intensification of collective farming.
- 26/27 Return of German prisoners from the USSR.

SEPTEMBER

28

The Soviet Reply to the Western Note of 2nd September puts forward the following proposals:

- (1) A 5-Power Conference to ease international tension (Korea-China-South East Asia-Atlantic Bloc- armaments and military bases-war propaganda).
- (2) A 4-Power Conference on Germany to examine:
 - the peace treaty;
 - the formation of a provisional government;
 - free elections (to be arranged directly by the Germans);
 - the easing of Germany's financial and economic obligations and,
 - in general, any proposals formulated during the preparation of the Conference.
- (3) For Austria, discussion through the usual diplomatic channels.

OCTOBER

5

CZECHOSLOVAKIA and HUNGARY: The Hungarian and Czechoslovakian Governments declare their readiness to release Greek hostages and children held by them since 1947.

6

BULGARIA: The Bulgarian Government agrees to resume diplomatic relations with Athens.

12

TRIESTE: Note of protest from USSR to London and Washington.

18

Note from the Western Powers to the USSR proposing a 4-Power Conference at Lugano on 9th November.

21

KOREA: The Sino-Koreans agree to meet the United States Representatives at Panmunjom to discuss the Political Conference.

26

The USSR delivers a Note to the Greek Government protesting against the Greco-American agreement on military bases.

NOVEMBER

3

The Soviet Note to the three Western Powers makes no mention of the invitation to hold a 4-Power Conference at Lugano on 9th November.

4

TASS announcement of Soviet move to join ILO.

NOVEMBER

- 7 Military parade at 36th Anniversary of Revolution reduced in size as compared with previous years.
- 13 Molotov press conference to "explain" Soviet Note of 3rd November.
- 26 In Note to Western Powers the Soviet Government accepts a meeting of four Foreign Ministers and suggests Berlin.
- 28 MALENKOV receives new British Ambassador for "courtesy call".