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# Significant Dates ▶

## FEB

- 1 UN General Assembly condemns Chicom aggression in Korea. 1951
- 7 Yalta Conference begins (Churchill, Roosevelt, Stalin). 1945 (20th anniversary)
- 10 Soviet Govt. repudiates all debts incurred by Tsarist regime. 1918
- 13 Soviet Army occupies Budapest. 1945 (20th anniversary)
- 13 Czechoslovakia, last East European nation governed by traditional parliamentary methods, falls by coup to Communist control. 1948
- 14 USSR and CPR sign treaty of alliance (Sino-Soviet Friendship Pact), repudiating Soviet-Nationalist Treaty of 1945 authorized by Yalta Agreement. 1950
- 20 Afro-Asian Islamic Conference, Djakarta, Indonesia.
- 21 Day of Solidarity with Youth and Students Fighting Against Colonialism. Created by Communists and celebrated by their youth (WFDY) and Student (IUS) fronts.
- 23 Kronstadt Uprising begins. Soldiers, sailors and workers--supporters of October 1917 Revolution--unsuccessfully rise against "three-year-old autocracy of Communist Commissars." 1921
- 24 Treaty of Ili (or St. Petersburg) returns to China most of Sinkiang territory occupied (1871) by Russia during Moslem Rebellion (1864-77) but grants portion to Russia. 1881
- 27 Mao Tse-tung delivers "Hundred Flowers" speech. 1957

## MAR

- 2 First Congress of Third International, Comintern, Moscow, dedicated to Communism and world revolution. 1919
- 4 President Roosevelt states "Good Neighbor Policy" in first inaugural address. 1933
- 5 Joseph Stalin dies. 1953 (Born 21 December 1879)
- 6 Soviet's Vyshinsky delivers ultimatum demanding Rumania's Coalition Government be dissolved. A Communist cabinet is placed in power. 1945 (20th anniversary)
- 8 International Women's Day. Originally (1910) Social Democratic celebration furthering emancipation of women; appropriated since 1945 by Communist women's front (WIDF).
- 10 Afro-Asian Conference (II Bandung) Algiers. Chicom-Indonesian backed --likely to be postponed to April or May.
- 12 Sun Yat-sen dies. 1925 (40th anniversary) (Born 12 Nov 1866)
- 12 Finland, after brief war with USSR, yields Karelian Isthmus, Viipuri, Hangoe Naval Base. 1940 (25th anniversary)

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CHRONOLOGY -- COMMUNIST DISSENSIONS

#44

9 Dec 1964-5 Jan 1965

December 10: The IUS Congress in Sofia described in Chronology #43 closes after adopting a resolution which "contains an erroneous line," according to NCNA, which asserts that only 39 of the delegations with voting rights, including the Soviet, voted for the resolution, the Chinese and Albanians against it, with the remainder abstaining or not taking part. NCNA also claims that "frenzied attacks on China were mounted by the Soviet and Indian delegates and a handful of their followers" and that delegates from Nigeria, the Japanese Zengakuren, and Canada "vilified China's nuclear testing." The NCNA round-up concludes with the following description of the atmosphere during the Congress:

"During the meeting, some people resorted to points of procedure, interrupted speeches or made trouble when others spoke, deprived some delegates of their opportunity to take the floor, created obstacles of translation, booed and hooted and set the voting machine into motion, thus making normal discussion impossible at the meeting. These tricks aroused the indignation of many delegates who condemned them time and again."

December 11: On a visit to Japan, Izvestiya editor Stepakov answers several questions about the Khrushchev ouster in an interview with Tokyo Asahi foreign news editor Hata. Adhering to the standard Soviet line, he denies that Khrushchev's published works have been withdrawn from Soviet bookstores. Asahi published on 12th: neither Izvestiya nor any other Soviet outlet mentions it.

December 12: Pravda front-pages a brief announcement that, "on the basis of mutual consultations carried out between the fraternal parties, and for the purpose of thorough preparation for a meeting of the editorial commission and for an international conference of Communist and workers parties, the first meeting of the editorial commission has been designated for 1 March 1965." The European Communist states report it without comment on the same day, except for the Rumanians, who wait until the following day, and the Albanians, who ignore it.

On the eve of the 7th Congress of the old-line, Moscow-aligned Indian CP (ICP/R), Pravda prints a long article by Executive Committee member Sardesai who, in addition to discussing the Party's new draft program, denounces "the actions of the splitters who left the national council of the ICP in April 1964 and who then formed a separate party under the name "Marxist-Leninist Communist Party of India." He does not name the CCP but asserts that the splitters "would not dare to break completely with the party if they were not instigated to do so from the outside."

(See December 20-25 for treatment of Indian 7th Congress resolution.)

December 14: Italian CP daily L'Unita carries CPI resolution approving of postponement of Moscow preparatory commission meeting to 1 March 1965 and adds that the interim period should be used to "create more favorable conditions for collaboration between all the CPs and for deep study of the problems which face our whole movement." Indonesian CP daily Harian Rakjat publishes a joint statement of the PKI with the pro-Chinese dissident Communist Party of Australia(M-L) on 6 December, concluding talks with a visiting CPA (M-L) delegation led by E.F. Hill. Both see K's downfall as "a victory for the constantly expanding M-L forces throughout the world" but warn: "With or without K, modern revisionism must be vigorously opposed!" Both hold that a world conference "can only be justified if it is preceded by adequate preparations in which the... parties of all socialist countries participate."

December 15: In Djakarta, Indonesian CP Chairman Aidit hands Soviet Ambassador Mikhaylov a PKI letter replying to a 1 December CPSU letter inviting the PKI to participate in the 1 March preparatory meeting in Moscow: it says that "the PKI can not and will not attend any international conference unless it is preceded by the best preparations and unless the Communist and workers parties of all the socialist countries will participate in it." The PKI accepted a Soviet invitation to visit the Soviet Union, the date to be determined later, depending on the development of the ICM!

December 16: Moscow releases the text of a joint communique signed by the CPSU with a delegation of the old-line Communist Party of Australia on the 14th: both "expressed themselves in favor of the convocation of a new international conference... and of an editorial commission, the beginning of whose work is envisaged for 1 March 1965."

December 16-18: Yoshichika Tokugawa, a leader of the Japan-Soviet Society in Tokyo, told a press conference on the 16th that he, supported by 18 other veteran members, planned to break away from the society and set up a new Soviet friendship organization by the middle of February. The present society, he said, is "too dominated by the JCP" and could even be called an "anti-Soviet society" because all pro-Soviet propositions are stifled by the JCP majority. He claimed that the Soviet Embassy in Tokyo approved his plans. JCP daily Akahata on the 18th printed a statement by the Society's standing director, Muraichi Horie, denouncing these "schismatic maneuvers." The same issue also carried a story of clashes between personnel of the (JCP-supported) Nauka Bookstore and those of the "renegade-supported Japan-Soviet Book Center."

December 18: NCNA announces that Radio Peking is beginning to broadcast twice-weekly programs in Esperanto.

Correspondents report from Bucharest on the enthusiastic reception and immediate sell-out of a new Rumanian book, entitled Notes on Rumanians, containing four obscure Marx documents which a leading Rumanian scholar had dug out of the archives of the International

Institute of Social History in Amsterdam. The "notes" are generally anti-Russian, and charge that the Russians use political power to enforce economic exploitation. More specifically, they question the legitimacy of Russia's claim to sovereignty over Bessarabia. They also criticize the Magyars' treatment of the Rumanians in Transylvania.

December 20: East German ADN service reports a communique of the KPD (West German CP) approving of the 1 March meeting of the editorial commission and of the directives for the KPD delegation to the commission.

December 20-25: New Delhi and Belgrade Radio report that the 7th Congress of the old-line Indian CP in Bombay concluded with a resolution which sharply condemned the Chinese leadership for splitting and weakening the ICM. (See also Dec.12.) Tass reporting on the Congress (attended by a large Soviet delegation headed by Ponomarev) fails to mention any criticism of the Chinese, and Pravda, publishing on the 25th "the contents of the documents adopted," omits the parts which directly refer to the CCP. Pravda does, however, include its denunciation of the left factionalists as well as all support of CPSU positions, including endorsement of an international conference.

December 21: The only major article in the ICM on the 85th anniversary of Stalin's birth to come to our attention was a 2500-word, unreserved tribute in the North Korean Party daily Nodong Sinmun.

December 21-22: Chou En-lai's 2-day report to the National People's Congress in Peking was a hard-line reaffirmation of CCP anti-revisionist policies. Although he made pro forma reference to China's desire for better relations with the USSR, he also referred to the "perfidious withdrawal of Soviet aid in 1960 and to the Soviet role in the 1962 disorders on the Sinkiang border". His remarks on the "great significance" of Mao's statements on international questions amounted to a sweeping claim to Chinese leadership of world revolutionary forces.

December 26: The Moscow correspondent of the Belgrade Borba, "analyzing numerous speeches by Soviet leaders and articles in Soviet Party papers," sees the current Soviet attitude toward problems of the ICM as follows:

"Avoid activities and open polemics that might deepen the present misunderstandings even more; make an effort to suggest to Peking, through the position (sic; - posture?) of the CPSU, to refrain from anti-Soviet activities so as to produce normal conditions for talks on the present disputes; continue the effort to call an international consultation of Communist and workers parties."

However, he notes, "the Chinese leadership gives no sign of willingness to accept this line," and that if they "launch a fresh open political battle against the CPSU," it will be "compelled to undertake political steps from which it has hitherto... refrained."

December 28: Japanese CP daily Akahata publishes an article responding to a 30 October Trud report by V. I. Prokhorov, Secretary of the Soviet Trade Unions Central Council, who had attended a Sohyo congress in Tokyo last July, which the JCP considers "an open attack on us." It declares that the whole matter could be "concrete testimony" to the fact that the new Soviet leadership is "continuing the subversive attacks of the K era against the JCP."

A Kosygin message to Chou En-lai responds to the Chinese 17 October proposal to world governments, following their first nuclear explosion, for an international conference of heads of states on the prohibition and destruction of nuclear weapons. Noting that the proposal reflects the Soviet line, the USSR accepts and supports it.

December 29: Japanese CP daily Akahata reports SecyGen Miyamoto asserting -- at a Kyoto rally welcoming an Indonesian CP delegation on 18 December -- that postponement by the CPSU of the 26-party preparatory meeting to 1 March 1965 will not change the JCP's previous negative attitude: a new international meeting requires unanimity and must include "all the parties of the 13 socialist countries."

December 30: A Pravda editorial on the successes of the socialist comity, "Confident Stride of Brother Peoples," mentions in turn all of the "countries of socialism," including Cuba, -- but omits Albania and Yugoslavia!

January 1: A London UPI dispatch says that the new issue of World Marxist Review (English edition of Problems of Peace and Socialism) carries an article declaring that it would be "folly" to minimize the sharp and serious differences between Russia and China and that an early international conference is essential, even if China refuses to participate.

Highlights of the Conflicts in World Communism  
May 1963-December 1964

We summarized the highlights of the Sino-Soviet conflict from its earliest manifestations in 1956 through the massive public polemics of early 1963 on 22 April 1963, supplementing the first of the biweekly "Chronologies" which have since continued to document in detail how this conflict intensified and spread throughout the Communist world.

The end of 1964 is a particularly appropriate point to summarize the most important developments of the ensuing 20-month period: the new CPSU leaders, after re-evaluating the situation in the WCM in the wake of the repercussions of the ouster of Nikita Khrushchev -- who had precipitated, led, and even symbolized the conflict, have recommitted themselves to push preparations for a world party conference to restore "unity" (Soviet style), setting 1 March 1965 for the Moscow meeting of the 26-party preparatory commission (formerly scheduled for 15 December), in the face of probable boycott by the Chinese and their most ardent followers.

The following review is a selective index to the most important entries in the 44 numbered installments of our Chronology over this period: comments are brief, and the referenced entries should be consulted for details.

May-December 1963

Our first summary ended by describing a published CPSU-CCP exchange of letters: CPSU dated 21 February proposing a bilateral meeting to restore unity; CCP reply dated 9 March counterposing conditions sure to be unacceptable to Khrushchev; and a 10,000-word CPSU "reply" which restated the CPSU's Khrushchevian line as true Marxism-Leninism, fully confirmed by "the entire course of world development in recent years," and avoided debate on any of the issues raised by the Chinese on the grounds of not aiding the imperialist enemy.

May 9: Chinese propose to send delegation to Moscow for bilateral talks mid-June: add that a reply to 30 March CPSU letter would come later. (#3)

May 14: Chinese announce acceptance of Soviet proposal to begin talks  
5 July: CPSU announces postponement to 18 June of plenum scheduled for 28 May. (#4)

June 14: CCP 18,000-word, 25-section "letter" ostensibly replying to CPSU 30 March letter. Published immediately, together with previous exchange (Feb 21, March 9, March 30), in 115-page pamphlet under the title A Proposal Concerning the General Line of the ICM -- in many languages. Chinese Embassy Moscow tries to distribute Russian-language copies to CPSU/CC members on eve of plenum. This remains the most comprehensive statement of the Chinese line on all points at issue with



the Soviets, despite subsequent voluminous Chinese polemics expanding on various aspects of the conflict. (#6)

June 27: Soviets expel 5 Chinese nationals for distributing June 14 pamphlets in USSR: Chinese protest, warning that this is a step towards "manufacturing a split in the ICM," and give the 5 a hero's welcome in Peking. (#7)

June 29: Pravda publishes Khrushchev 21 June speech to CPSU plenum, including direct attacks on Chinese leaders. (#7)

July 4: Pravda prints "CPSU/CC statement in connection with forthcoming talks" which denounces Chinese "aggravation of polemics" with 14 June letter and announces decision to reply in the press. (#7)

July 5-20: CPSU-CCP talks held in complete secrecy, with a day of recess following each day of talks, apparently for the Chinese to confer with Peking. Final communique indicates no agreements reached and decision to adjourn indefinitely taken on Chinese initiative, with resumption to be mutually agreed upon. (#7 & #8)

July 14: CPSU replies to 14 June CCP letter by publishing 22,000-word "open letter," which likewise remains to date the most comprehensive statement of the Soviet case vis-a-vis the Chinese. Publication signaled a wave of "me too" attacks on Chinese positions by Soviet European satellites. (#8)

July 9, 10, 13: In further exchange on 5 Chinese expelled from USSR, CPSU statement on 9th warns of "dangerous consequences of this policy"; CCP statement on 10th asks "how far are the comrades of the CPSU prepared to extend Sino-Soviet differences?"; and People's Daily on 13th wonders "whether the CC/CPSU wants to push Sino-Soviet relations to the point of rupture." (#8)

July 19: Peking press reports rally of 10,000 to welcome Chinese delegation back from WIDF (women's front) congress in Moscow, where they successfully struggled "against the enemy" (the Soviet delegation). (#8)

July 19: Chinese announce that "the Czech Govt has precipitated a serious incident" by demanding (on 8 July) the recall of 3 Chinese NCNA correspondents from Prague for publishing polemics. (#8)

July 20: Chinese publish 14 July CPSU letter, together with a re-run of their own 14 June letter, plus a scorching People's Daily editorial accusing Soviets of "no less than 70 to 80 reversals of the truth" -- such as on the withdrawal of Soviet aid and technicians -- and promising to "provide the necessary material to clear up these matters in future issues." (#8)

End July and August: While Communist media around the world are still reacting to the direct polemical clash of the CCP-CPSU letter exchange,

the conflict suddenly spreads to international power politics with Khrushchev's hasty conclusion of negotiations for the nuclear test-ban treaty with the U.S. and U.K. (initialed 25 July and signed 5 August). A Chinese Govt statement of 31st and a People's Daily editorial of 2 August denounce the treaty as a "dirty fraud" and accuse the Sov-Govt of allying itself with the U.S. against China. The USSR pours out a barrage of material capitalizing on its popular "ban-the-bomb [tests]" position, most authoritatively in Govt statements on 3 and 21 August. A 7500-word CPR Govt statement of 15 August in reply reveals that in June 1959 the USSR had unilaterally abrogated an October 1957 agreement to help China produce atomic weapons: it also concludes by accusing the Soviet leaders of betraying the interests of their own people. Most CPs support treaty (or maintain discreet silence): only the Albanians echo the Chinese denunciation, while the North Korean, North Vietnamese, Japanese and Indonesians limit themselves to the line that it does not go far enough (i.e., a total ban on nuclear weapons) and criticize US imperialism for perpetrating it. (#9, #10, & #11)

August: Chinese begin Japanese edition of Peking Review, as North Koreans withdraw from pro-Moscow, Prague-based Problems of Peace and Socialism (joining the Chinese, who had withdrawn at end of 1962). (#9 & #10)

August 2-7: "Ninth World Congress Against Atomic and Hydrogen Bombs" in Hiroshima breaks up over attitude toward test-ban treaty and JCP domination.

August 20 & 22: The Chinese seize on border tensions with India to accuse Soviet leaders of collaborating with U.S. imperialism to ally with India against China, in a Govt statement of the 20th and People's Daily editorial of 22nd. (#11)

August 20 & 27: Pravda articles identify Chinese chauvinism with "the spirit of Genghis Khan," a theme to be replayed frequently in coming months. (#11)

September 2: Czech Govt demands recall of 2 more Chinese for disseminating polemics. (#12)

September 6: The Chinese publish the first of a series of long, joint articles by the editors of People's Daily and Red Flag labeled as "Comment on the Open Letter of the CC/CPSU." This 15,000-word tract sets forth in full the Chinese version of The Origin and Development of the Differences Between the Leadership of the CPSU and Ourselves, including as appendices three heretofore unpublished documents: an outline of Chinese views opposing the Soviets on "peaceful transition" dated November 10, 1957 (prepared for the Moscow conference of ruling parties); statement of the CCP delegation at the Bucharest meeting of CPs, dated June 26, 1960; and five proposals to settle differences and to attain unity dated September 10, 1960 (in preparation for the 81-party conference in Moscow). Among the new disclosures were the claims that the

Soviets in 1956 intended to abandon Hungary to the "counter-revolution" but the Chinese insisted on smashing it; that in 1958 the Soviet leaders "put forth unjust demands designed to bring China under Soviet military control"; and that in 1962 they "used their organs and personnel in Sinkiang, China, to carry out large-scale subversive activities," etc. (#12)

September 8: A Radio Moscow roundtable implies that there will be no attempt to reply to this Chinese attack; "it would be undignified...."

September 13: Chinese joint "Comment on the Open Letter of the CC/CPSU (II)," entitled On the Question of Stalin, expands to 7,000 words the Chinese views on this issue, to which they return again and again in subsequent polemics. (#12)

September 17: At the UN, Albania submits a proposal to admit the CPR; the USSR had always submitted such resolutions in the past. (#13)

September 19: A Pravda editorial on the Sino-Indian border dispute, "A Serious Hotbed of Tension in Asia," notes the negative results of this conflict and implies that the Chinese are largely to blame for it. People's Daily reprints and denounces this on 21st, promising full comment later. (#13)

September 21: A USSR Govt statement pegged to 1 September CPR statement on test-ban treaty also discusses Sino-Soviet border dispute (charges more than 5,000 Chinese violations of Soviet border in 1962 alone). Surprisingly, it ends with a call to end polemics and hints readiness to resume bilateral talks. (#13)

September 26: Chinese publish joint "Comment (III)": Is Yugoslavia a Socialist Country? After more than 13,000 words describing the degeneration of socialism in Tito's Yugoslavia, the Chinese conclude that "Khrushchev really regards Tito as his teacher and is sliding down the path of revisionism hard on Tito's heels." There follows the first implied appeal to the Soviet Party rank-and-file to oust K.

Late September and October: Observers note various indications that the CPSU had decided to convene a world conference of CPs to confirm its views as "the general line" and to reject the Chinese. A flood of Soviet anti-Chinese articles is spearheaded by a 38-page article in the issue of Kommunist appearing 3 October, "The General Line of the WCM and the Schismatic Platform of the Chinese Leadership." (#14) A French CP plenum, convened 6 October, shortly after SecyGen Thorez returned from Moscow, strongly denounces the Chinese and take up the call for a conference: Pravda publishes Thorez on 13th. Peking adds to the furor by publishing its 10,000-word "Comment (IV)," Apologists of Neo-Colonialism, on the 21st. (#15)

On 25 October, however, the Italian CP/CC unexpectedly meets in plenum and adopts a 12,000-word statement which, while still critical of Chinese positions, expresses firm opposition to a world conference at this time. (#15) Almost simultaneously the North Korean Party opens fire against it in a 16,000-word editorial in Nodong Sinmun on 28 October exhorting all Communists to shun any Soviet move to isolate the Chinese. (#16)

The Soviet campaign suddenly grinds to a halt: at the 7 November Soviet Revolution anniversary, not only is the dispute muted but keynote speaker Podgorny bids publicly for cessation of polemics -- and Soviet media begin to observe a unilateral moratorium. On 29 November (we learn half a year later when the Chinese publish the exchange: see 8 May 1964), Khrushchev sent a long, conciliatory letter to Mao proposing a number of "concrete steps for setting things right in Soviet-Chinese cooperation." A major 6 December Pravda editorial on the 3rd anniversary of the 81-party conference renews the public bid for an end to polemics, and Izvestiya on the 17th repeats the plea. The moratorium remains unilateral, however, as shown below. (#18)

October: First issue of pro-Chinese Belgian dissident Communist La Voix du Peuple. (#16)

November 2: Peking People's Daily 10,000-word editorial, "The Truth about How the Leaders of the CPSU Have Allied Themselves with India against China," replying to 19 September Pravda, includes a 16-point resumé of Sino-Soviet exchanges over the Sino-Indian border conflict. (#16)

November 7: Albanian Zeri I Popullit editorial lauding Stalin and denouncing the Khrushchev group is only polemical attack in the WCM on the anniversary of the Soviet Revolution. (Another ZIP tirade follows on 9 Nov.: The Albanians attack so continuously that only those with special significance are noted.) (#16 & #17)

November 10: Japanese CP organ Akahata expresses opposition to world conference now. (#17)

November 16: Cautiously pro-Chinese article in North Vietnamese Hoc Tap (fails to mention conference). (#17)

November 19: Chinese publish 10,000-word "Comment (V)": Two Different Lines on the Question of War and Peace, employing some of the most extreme formulations and insulting derision to date. (#17)

November 28: Chinese challenges precipitate bitter public battle with Soviet-aligned majority at 5-day Warsaw meeting of the World Peace Council. (#18)

December: New theoretical journal, The Australian Communist, published by pro-Chinese dissident Australian Communists headed by E.F. Hill. (#18)

At the same time, pro-Chinese dissident Austrian Communists begin publication of Die Rote Fahne (Red Flag) (#19)

December 12: Chinese publish 13,000-word "Comment (VI)": Peaceful Co-existence -- Two Diametrically Opposed Policies, which goes so far as to quote approvingly the famous Lenin prediction that "a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable." (#19)

December 14: Chou En-lai, with large party, sets out on long round trip through Africa -- interrupted by a 9-day sojourn, December-31 January 9, in Albania which produced a number of diatribes at the CPSU (unnamed). (#19, ff.)

December 23: Indonesian CP Chairman Aidit's opening report to CC plenum defines PKI policies attuned with Peking, acknowledges "differences of opinion" with the CPSU, and promises to establish relations with dissident factions split from "parties under the control of revisionists." (#19)

December 27: Peking People's Daily publishes 18,000-word 26 October speech, "The Fighting Task Confronting Workers in Philosophy and the Social Sciences," by Chou Yang espousing the splitting process which produces strong M-L revolutionary parties. (#19)

December 31: Khrushchev message to all heads of states proposes treaty renouncing use of force in territorial disputes. (#19)

1964

The Soviet side begins to resume polemics in a restrained manner. Prague-based Problems of Peace and Socialism prints articles (by non-Soviet Communists) critical of CCP in December, January, and succeeding issues. (#21-22) A book attacking Chinese "anti-Marxist doctrines," signed to press in October but apparently held up, is published in Russian mid-January. Tass on the 20th brands an NCNA report as misinformation, and on the 30th Pravda, "Why Mislead?" condemns the Chinese for distorting Soviet peace initiatives. (#21)

January: Chinese step up publication of French and Spanish editions of Peking Review from bi-weekly to weekly, matching the English, and add an Indonesian version, making a total of five, with the Japanese. (#22) Pro-Chinese dissident Swiss Communists begin publication of a monthly, L'Etincelle (The Spark). (#24)

January 18 & 19: Pro-Chinese dissidents meeting in Peru on the 18th and in Ceylon on the 19th proclaim themselves the rightful CPs of their respective countries. (#21)

February 4: Chinese publish 18,000-word "Comment (VII)": The Leaders of the CPSU Are the Greatest Splitters of Our Times, the sharpest "point of no return" challenge to the CPSU yet. (#21-22)

February 14: The CPSU "agricultural plenum," which convened on the 10th, meets in an expanded secret session on the ideological situation (see April 3 for publication of results). (#22)

February: New pro-Chinese dissident publications are reported in Denmark, Great Britain, Spain/exiles, and Chile. (#23)

March 1-31: Top-level Rumanian delegation leaves for Peking on hastily scheduled 10-day visit to mediate Sino-Soviet clash. Flies on for 2 days in N. Korea, and spends 2 days with Khrushchev in Gagry on way home. Lack of any achievement shown as Chinese, who had refrained from polemics during visit, resume ostentatiously the day after their departure with a daily series of delayed materials from Chinese-aligned parties or dissident groups through 30 March, climaxed on the 31st with their own 15,000-word "Comment (VIII)": The Proletarian Revolution and Khrushchev's Revisionism. Here they not only call directly on all Communists, inside the CPSU as well as in other parties, to "repudiate and liquidate Khrushchev's revisionism," but also declare it necessary to amend the documents of the 1957 and 1960 conferences "to conform to the revolutionary principles of Marxism-Leninism." (#24-25)

March 10: London Observer's Crankshaw reports receipt of a copy of Khrushchev's November letter to Mao (see May 8 for publication of same). (#24)

March 18-21: WFTU Executive session in Sofia brings new public clash. (#25)

March 20: First issue of Nuova Unità reported, pro-Chinese Italian Communist monthly. (#25)

March 22-28: Bitter Sino-Soviet battling at AAPSO Council session in Algiers brings Algerian protest. (#25)

March 31-April 5: Budapest Congress of IADL (lawyers) brings another "fierce struggle." (#26)

April 3: The CPSU launches its counter-attack against the Chinese, publishing Suslov's 35,000-word report to the February plenum, the plenum decision, and an editorial briefly distilling the Suslov report and bringing it up to date. Suslov describes, condemns, and rebuts the Chinese onslaught which made the counter-offensive necessary and proposes a conference of all fraternal parties to overcome difficulties and restore unity.

This time, however, the public reaction among the pro-Soviet parties indicates more hesitation and disagreement than whole-hearted support: the Hungarians fail to endorse the conference; the Poles hesitate almost a week and then decry "excommunication"; the Rumanians maintain silence; and the Italians, joined by the Norwegians and Swedes, reiterate their opposition to a conference. (#26)

Over the coming weeks and months, Soviet media pour out voluminous materials supporting their course, ranging from their own statements and articles to statements by the most obscure parties in distant lands.

The first reaction from the Chinese camp comes in a harsh editorial in N. Korean Nodong Sinmun on 19 April, reprinted on the 26th by the Chinese, who on the 27th publish the 3 April Pravda materials with their own short but savagely derisive note. (#27)

Meanwhile, the Rumanian Party holds a secret plenum 15-22 April and on the 26th publishes its statement: a 12,000-word "declaration of independence" -- from domination or exploitation by any other party, from any suprapstate or extrastate bodies, etc. (#27-28)

April 29: Hanoi publicizes 21 April letter it sent to all parties proposing 2-step preparations for world conference: (1) resumption CPSU-CCP bilateral talks; (2) a preparatory meeting by selected parties. (#28)

May 4: Soviets react vigorously to Chinese conduct at the Djakarta preparatory meeting for the 2nd Afro-Asian Conference, sending a 2,000-word Govt. statement denouncing Chinese to all A-A govts. (#28)

May 8: Chinese publish texts of exchange of letters beginning with 29 Nov. 1963 Khrush. to Mao and ending with CCP 7 May. Letters, obviously not intended for publication, at least by the CPSU, provide remarkable insight into depth and bitterness of conflict. K's gambit is conciliatory, suggests putting aside disputes "until the heat of passion has cooled" and proposes "concrete measures" such as expansion of trade, "broadening" of technical assistance, settlement of boundary questions, and cessation of polemics. There was no acknowledgement from the Chinese until 20 February 1964, almost 3 months later, when they sent a brief letter complaining that the CPSU had, secretly and behind the back of the CCP, sent a 12 February letter to other parties which "instigates struggle" against the CCP on the pretext that the CCP had not answered the 29 Nov. letter: the latter, they said, will be answered in due course. The CPSU immediately replies in a 22 Feb. letter protesting CCP "aggravation" but remaining conciliatory. On the 27th, the CCP sends a brief but extremely arrogant reply to the latter, and follows on the 29th with a long reply to the original 29 Nov. K letter, scorning the Soviet overtures as "an utterly false and demagogic trick." However, it ends by proposing resumption of CPSU-CCP talks in Peking in October and a preparatory committee of 17 parties to meet at an unspecified later date to make preparations for a world conference. The CPSU replies on 7 March, resolutely repudiating the CCP's "libelous attacks," questioning the CCP's motives in proposing such delayed preparations for a world meeting, and counterproposing an accelerated schedule leading to a world meeting in autumn 1964. The CCP waits 2 more months to reply: its taunting 7 May letter now says 4 or 5 years or longer may be necessary to prepare for a world conference! (#28-29)

May 10-12: An authoritative 3-part series of Pravda articles grapples with the apparent contradictions in the "new look" approach to relations within the movement -- the dilemma between "cohesion" and "unity" vs. "equality" and "independence" -- while spelling out their case against the CCP. (#29)

May 21: Prominent pro-Soviet Japanese CP members Shiga and Suzuki expelled for opposing JCP line. (#29)

May 30: Chinese Govt. statement strikes back at 4 May Soviet Govt statement on Djakarta preparatory meeting for 2nd A-A Conference: attempts to demonstrate that Soviet Union is a European power and cannot have it both ways, and questions motives in trying to "squeeze into the 2nd A-A Conference." (#30)

June-July: Soviet media give increasing evidence that the CPSU is about to initiate formal preparations for a world conference, such as articles in two successive issues of Kommunist which name 53 and then 69 parties as supporting them. On 15 July they publish a 7,000-word CPSU letter sent 15 June in reply to the CCP's 7 May letter, last of the series published by the Chinese on 8 May: it asserts its right and intent to call a conference on its terms. (#30-33)

During this period the Rumanians demonstrate their new independence by publishing at least 3 polemical attacks on Soviet policies and abruptly sending Maurer to Moscow on 6 July in what is seen as another attempt to head off Soviet "excommunication" action. (#31-32)

The Chinese on 14 July publish "Comment (IX)," On Khrushchev's Phony Communism and Its Historical Lessons for the World, a 20,000-word harangue on the degeneration of socialism in the USSR. On the 28th, they reply to the 15 June CPSU letter with an 8,000-word letter containing the most brutally arrogant reiteration yet of CCP intent to "bury" the CPSU leaders unless they surrender. (#33-34)

Meanwhile, an open conflict between the CPSU and the Japanese CP erupts in connection with Soviet support for the expelled Shiga and his efforts to form a new pro-Soviet group in Japan (#32-34). The Indonesian and North Vietnamese parties move perceptibly further toward the Chinese.

August: The CPSU finally launches its concrete plan for convening a world conference, announcing on 10 August that it had proposed to the 26 parties of the 1960 editorial commission that they send representatives to meet in Moscow 15 December as a preparatory commission for an international conference to convene mid-1965. (#35) By the end of the month, the CPSU names 9 of the invitees as having agreed to take part. The CCP, in a belligerent letter of 30 August, declines and warns that the day "you convene your drafting committee will go down in history as the day of the great split in the ICM." On the following day, the North Koreans call on all parties to stop this CPSU move.



By mid-September, the CPSU can still name only 12 parties, less than half, as agreed to participate. The Chinese and 5 allies had declared or indicated their refusal, while the remainder were apparently still reluctant to commit themselves. (#36-39) Moreover, the Italians publicly declare that they will attend to discuss measures for improving unity and not to plan a conference which would result in excommunication, and it was indicated that some of the other parties close to the CPSU were inclining more and more toward this posture.

September 5: Italian CP organs publicize a strongly "independentist" memorandum composed by Togliatti in Yalta just before his death: it frankly criticizes Soviet plans for a meeting to condemn Peking, records pessimistic views of Communism's international and Italian situation, and is somewhat critical of the USSR. Surprisingly, Pravda publishes full text on 10th. (#37)

September 22: First number of German-language edition of Peking Review appears -- thus making a total of 6 editions (see Jan. 1964 for list).

October 15: An era in the history of the WCM ends with the ouster of Khrushchev in a secret, poorly explained coup which dumbfounds even those party leaders closest to Moscow. Many openly express their concern and at least 5 send delegates to Moscow to seek an explanation. On the other hand, the Chinese and their allies welcome it as a victory for their line and a defeat for revisionism -- while warning against a continuation of "Khrushchevism without Khrushchev."

The new Soviet leadership, however, soon reaffirms their commitment to all basic positions in question, including the necessity for an early world conference -- but without mentioning the scheduled 15 December preparatory meeting. In a surprise move, Chou En-lai heads a strong Chinese delegation to Moscow for the annual Soviet Revolution celebration on 7 November: however, a week of secret talks with the CPSU leaders reportedly are stalemated as neither side showed any inclination to yield from its previous positions. In a 21 November Red Flag editorial, "Why Khrushchev Fell," the CCP declares unequivocally that the new CPSU leaders can avoid conflict with the CCP only by reversing all basic CPSU policy developments of the past 11 years. (#40-43)

December 12: Just 3 days before the scheduled Moscow meeting of the 26-party preparatory commission, the CPSU announces (with no reference to the old date) that, "on the basis of mutual consultations" between fraternal parties, the "first meeting" of the commission has been set for 1 March. Four non-ruling parties publicly affirm approval within a few days. All European Communist states promptly report the invitation without comment, except Albania, which remains silent along with the Asian Communist states. The Indon. and Jap. CPs publicly refuse to attend -- unless "all socialist countries" participate. The year ends with both protagonists observing a sort of truce -- and the Rumanians making another independence gesture by publishing a book of little-known Marx documents, generally anti-Russian in tone and specifically questioning Russia's right to sovereignty over Resserabia. (#44)

861.

MILITARY FORCES IN THE WORLD TODAY

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SITUATION: In mid-November 1964, the Institute for Strategic Studies, 18 Adam Street, London, WC2, issued the sixth in its series of annual estimates of the size and breakdown of the major military forces of the world: The Military Balance, 1964-65. In a field where there is little authoritative information published, this booklet stands out as an excellent source of data. Some other publications also contain information, among them Jane's All the World's Ships and All the World's Aircraft, and the official publications of parliamentary governments provide data on their own national forces. The Military Balance, however, is probably the best available unclassified source, particularly as regards the strength of the forces of Communist countries.

(FYI only: Figures on the Soviet forces given in The Military Balance are slightly on the high side, as compared with the latest classified US intelligence estimates. Thus, current official estimates of total Soviet personnel strength are 2.8 to 2.9 million and not 3.3 million; Soviet divisions are believed to number between 120 and 140, and not simply 140; tactical aircraft are thought to add up to 3250 and not 4000. The higher figures are more useful for most propaganda purposes, however, than the official figures would be--if the official figures could be used, which they cannot be. End FYI.)

The following are some aspects of The Military Balance's figures which are relevant to current political and diplomatic problems:

1. The Soviet strength in operational ICBM's is estimated at about 200, although The Military Balance states that this figure may increase substantially in 1965; US strength in this type of weapon (late 1964) came to over 800. Moreover, only one-third of the Soviet ICBM's are storable liquid fuel missiles (an advance over Soviet liquid fuel missiles which must be drained if they are not fired, and which require a fueling up period before they can be fired) and none are known to be solid fuel missiles; the chief protection of Soviet missiles consists of concealment and active defense. On the other hand, three-quarters of US ICBM's are solid fuel (ready for instantaneous use) Minutemen, protected in "hardened" underground silos. By his aggressive behavior, especially in the 1961 Berlin crisis, Khrushchev provoked the US into a rapid ICBM buildup. The result showed that the Soviet economy was still far from a match for that of the US; while

the USSR will have twice as many ICBM's in early 1965 as a year earlier, the US will retain a four-to-one lead by increasing its ICBM's from 475 to 925. This lesson in the inferiority of Soviet power helps to explain the waverings of Soviet economic policy over the past two years, and presumably contributed also to the fall of Khrushchev.

2. While the Soviet defense budget was reduced by 600 million rubles in 1964 (subsequent to the publication of The Military Balance, Kosygin has announced that a further 500 million ruble reduction will be made in 1965), Soviet defense budget figures "do not include space research costs or the development of advanced weapons systems... It is thought that in real terms total Soviet military expenditure represents something between 30 and 35 thousand million dollars a year." (Emphasis supplied) This would constitute a military expenditure of over 30 per cent of the Soviet budget. (One might think this small compared with the 55 per cent of US federal expenditure which goes to US defense; such comparisons would be misleading, since the non-defense part of the Soviet budget includes elements of the national economy, e.g., investment, which have no counterpart in the US budget.) This represents a tremendous burden for a country which is still lagging behind in the production of food and other consumer goods.

3. Equally serious is the burden of arms expenditures on certain developing countries. In comparison with earlier estimates, Indonesian defense expenditures may have more than doubled to almost 1 billion dollars per annum. As a result, Malaysia must spend 4.1 per cent of its national income on defense costs, as compared with 1.9 per cent for the Philippines. Israeli-Arab rivalries result in Israel and the UAR spending respectively 9 and 8.2 per cent of their national incomes on military forces. In general, the military burden of non-aligned nations tends to be somewhat higher than that of the smaller West European countries. Any comparison should take into account the ability of different national economies to support unproductive expenses; Indonesia, for example, has a large population and an abundance of certain resources, but -- since much of these natural riches is still inadequately utilized -- it is not a wealthy country, and the extravagance of its government has put the Indonesian economy in dire jeopardy. Also, when the percentages of budgets devoted to defense are compared, distinctions should be made between budgets which contain large amounts for state investment (see also para. 2 above) and those which do not, also between federal budgets (where non-defense costs are largely a local or state concern) and the budgets of centralized countries.

4. While the US is preponderant in ICBM's, to which should be added 1100 strategic bombers and 656 submarine-carried Polaris missiles, there is no US or NATO force corresponding to the 700-750

Soviet MREMs's, largely targetted against Western Europe. This fact tends to cause some concern in European circles, especially in West Germany, and it was partly to meet this feeling that the US proposed the Multilateral Force (MLF) concept. If the Soviets do not like the MLF idea, they should consider what they have done to provoke it. And if Europe is not sufficiently concerned to agree to some form of MLF, then it is not the intent of the US--which is amply defended, and which in any case intends to defend Europe--to impose the MLF concept on unwilling allies.

5. If some smaller European countries have low defense budgets, one major reason is the disproportionate share of Free World arms expenditures borne by the US. While the other NATO countries are now beginning to make more of an effort, slightly relieving the US, American defense expenditure in 1963 was 9.8 per cent of the gross national product; among the NATO countries, the UK came next with 7.2 per cent, followed by Portugal at 6.8 per cent, by France at 6.4 per cent, and by Germany at 6.1 per cent. Of the other NATO countries, only Turkey spent over 5 per cent of its GNP (5.9 per cent) on defense. The US does not simply say it will defend Europe or its Far Eastern allies; it shows it will do so by paying the heavy bills.

The Military Balance contains an abundance of other useful information, such as on the breakdown of forces and principal arms and ships of various nations. The handbook states that the Chicom nuclear explosion of October 1964 shows that Chinese nuclear technology is more advanced than had been supposed. But it is thought that the Chinese will not have any advanced indigenous capability in delivery systems in the foreseeable future. Meanwhile, the Chinese army suffers from inadequate logistic support and obsolescent equipment; China is the only country which is "totally deprived of access to the sophisticated equipment and expertise which the world's leading military nations continue to make available to a host of lesser countries."

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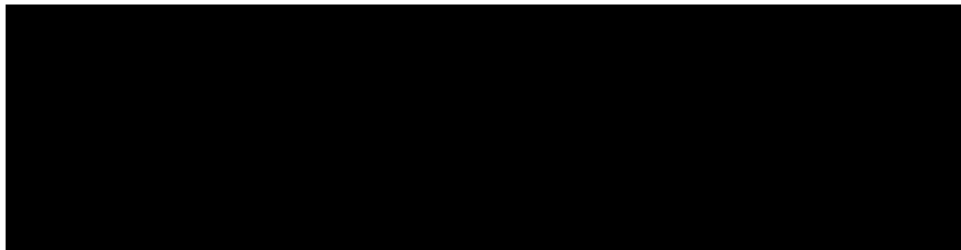
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ECONOMIC SYSTEMS COMPARED:  
CHINA, INDIA, JAPAN

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SITUATION: For years, the People's Republic of China (CPR) and the Soviet Union boasted of their communist economic system as the wave of the future. The CPR, and to an even greater extent the Soviet Union, dramatized huge programs, projects and plans, publicized tremendous raw figures of production and cultivated acreage attendant on their large territories and populations, and in addition, distorted their substantial economic advances to make them appear greater than they were.

What they did not talk about was the cost of production (human and material) which would have exposed startling inefficiencies, and the failure to meet quotas and achieve plans -- keeping the spotlight rather on ever larger plans for the future, repeating mammoth figures of previous plans and ignoring the fact that they had not always been achieved. And what they did not divulge, until forced (by their own rising difficulties) was the padding, distortion and falsification of production figures (the extent of which was not known for some time even to their highest authorities). It was no accident that for years Westerners had no opportunity to examine Communist economic statistics in detail, particularly agricultural (granted that these statistics were not too adequate even for their own officials).

Only by the end of 1963, in spite of previous critical failures (e.g. CPR communes and backyard furnaces in the late 1950's, the shutdown of numerous factories on the heels of departing Soviet technicians about 1959; Soviet collectivization in the 1930's and the Virgin lands in the late 1950's) was it possible to demonstrate the falsity of Communist economic growth claims and to puncture the inflated image of sustained spectacular economic performance. Authoritative analyses of Communist economic data accumulated over a span of years and released in January 1964 coincided with public exposure of the crisis in the Soviet economy, brought on by successive years of failure after 1958, and the collapse of the Chicom economy.

Analyses of Communist economic performance have usually compared the USSR with the US -- largely because Soviet leaders announced their intent to meet and surpass US production figures. This comparison gave Soviet propagandists a certain advantage in claiming, among other things to have

started from an agricultural base (industrialization was underway before the revolution of 1917), and to be competing with the world's most economically developed and prosperous country.

However, for developing countries, the most applicable bases for comparison ought to be found outside the U.S. and Western Europe. For this purpose, comparison of the CPR's communist economy with Japan's and particularly India's mixed economies is particularly appropriate. Japan demonstrates what a developed mixed economy can accomplish as contrasted with a Communist system. India, on the other hand, starting from similar economic conditions, demonstrates a mixed economy in a developing country. [Japanese and Indian economies are not comparable for several reasons, namely: Japan was a sovereign country while India was a dependent British colony, until 1947; Japan has long had an industrial economy while India became independent as a predominantly agricultural country. Further, India chose to build a mixed economic system along with democratic political institutions, to assure the maintenance of free institutions in the long run, rather than to take what some believe to be the shorter road to economic development through a state controlled economy in an authoritarian system.]

#### Industrial Production in India and Communist China, 1959 - 1963.

China has fallen behind India in industrial development during the last 5 years. When the Soviet Union cut off its aid program to China and withdrew its technical advisers, a large portion of the Chinese economy programs collapsed. In 1963 Chinese industrial production was only about two-thirds of the level achieved in 1959. For example, only 8 to 10 million metric tons of crude steel were produced in 1963 compared to 13.4 million metric tons in 1959, and only 190 to 200 million metric tons of coal were produced in 1963 compared to 347.8 million metric tons in 1959. Refined petroleum products, which was one of the few industrial commodities to show an increase in production, was only 37 percent above the level of 1959.

During this period of collapse and stagnation in China, industrial production in India increased by about 40 percent. Between 1959 and 1963, the production of crude steel grew by 142 percent, the production of electric power grew by 64 percent, and by 1963 the production of refined petroleum products in India reached 7.6 million metric tons in contrast to only 5.4 million metric tons in China.

The prospects are that India will continue to develop its industry rapidly, whereas China will take many years to regain the level of production achieved in 1959.

#### Industrial Production in Japan and Communist China, 1959 - 1963.

Communist China's record contrasts unfavorably also with Japan's industrial production. In two commodities (cement and refined petroleum products), Japan's 1959-1963 production increased at an even greater rate than

did India's, while the CPR's cement production decreased and its refined petroleum products increased only 37% to Japan's 102%. [Japan's 1963 cement production was almost 30 million metric tons; the CPR's, only some 9 million.] In another two commodities (crude steel and coal), Japanese production increased but at a lesser rate than India's, while the CPR's decreased in both cases. [Japan's crude steel production is approximately three times greater than the CPR's but the latter still produces substantially more coal despite its decrease to some 200 million metric tons and Japan's increase to 52 million.] In the fifth commodity, electric power, Japan and India increased their production at an almost identical rate (63% and 64% respectively), contrasted with the CPR's decrease to only 72% of its 1959 production. The CPR's 30 billion kilowatt-hours contrasted to Japan's almost 162 billion kilowatt-hours of electric power, is more significant when the importance of electric power for a developing economy is considered and the size and populations of the two countries are compared. 25X1C10b



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CHINESE YOUTH LACKS REVOLUTIONARY ZEAL

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SITUATION: The Chicom leaders have become increasingly alarmed by the sag in revolutionary zeal among their young people and have started intensive indoctrination to remedy the situation. This campaign itself provides mounting evidence that dissatisfaction among Chinese youths has become even more widespread and increasingly serious. The primary causes appear to be the lack of adequate educational opportunities, scarce job opportunities, and the discrepancy between the ideals long proclaimed by the regime and the bleak realities of the general situation facing the young people.

Lack of Educational Opportunities: For the fourth consecutive year, fewer new students were accepted by universities than were graduated in June and total university enrollments have fallen steadily from 900,000 in the peak academic year of 1960-61 to something less than 500,000 in the current year. This reduction in educational opportunities has in turn increased the competition for available jobs. China's stagnant economy is unable to absorb the large number of youths who enter the job market each year and unemployment continues to rise. The large numbers of unemployed youths in the cities cause what the Chicom authorities call "social problems," and they have attempted to alleviate the situation by sending young people to the countryside and remote frontier areas. The young people are soon dismayed by the poor living conditions and the lack of any prospects for improving their situation.

Disillusionment is said to be particularly high among the latest graduating class of university students who had been led to believe that they were being trained to play a vital role in building a new China, but are now unable to find posts of responsibility or positions in which they can use their new skills and training. The new graduates were bluntly told that because of "readjustments in the economy," not enough jobs existed in their specialities and that graduates who could not be placed in appropriate jobs immediately would be assigned to rural or frontier areas or to "basic levels" where they would perform apprentice-type work at low rates of pay.

There is also increasing discontent among the undergraduates who resent the heavy doses of political indoctrination as well as their duty to spend at least a month each year doing manual labor. According to a student from the Hunan Medical College, only two months were spent in genuine class work during the past year and the remainder of the time was spent either in political indoctrination meetings or in rural clinics.

These Chicom indoctrination efforts confirm the alienation of Chinese students that became apparent in 1962 when some 15,000 students, most of whom had relatives in Hong Kong, left the mainland with permits to visit their relatives and almost none of them went back. There were other similar instances of this exodus in 1963, but after that time, stricter controls over visitor permits brought an end to such cases.

Impact of Sino-Soviet Split: The fact that the Chicom youth indoctrination campaign is still being intensified after nearly two years indicates that the program to date has had little impact on the 130 million Chinese between the ages of 16 and 25. The current intensification of the campaign can also be attributed in part to the Sino-Soviet split, and the Chicom view that what has happened in the USSR proves that even an old well-established Communist society can be "corrupted" and "subverted" by bourgeois attractions. The indoctrination campaign--through the press, radio, speeches, movies, songs, plays, "study groups," etc.--includes at least as many warnings against "revisionist influences" as against the traditional evil of "bourgeois influence."

This campaign is not tied directly to the shorter range problem of an immediate successor to Mao. This will be settled in deepest secrecy by a small clique of only the highest leaders. The successors of Mao and of other leading officials of his generation--most of whom are now in their 60's and 70's--and hence their selection, is deeply affected by the problem of dissatisfied Chinese youth. The aging Chicom leaders have only belatedly come to realize that while they can dictate what happens to the Chinese people today, they cannot dictate in advance the future path and direction of Chinese Communism. It is entirely in keeping with their frequently demonstrated arrogance that it should have taken them so long to reach this obvious conclusion. It is also in keeping with their long-held, unrealistic dogmatism that they seek to solve the problem by an uncompromising adherence to harsh communist ideals, by demanding increasing sacrifices from their people without offering any real inducements in the form of material improvements or opportunities in the people's lives.

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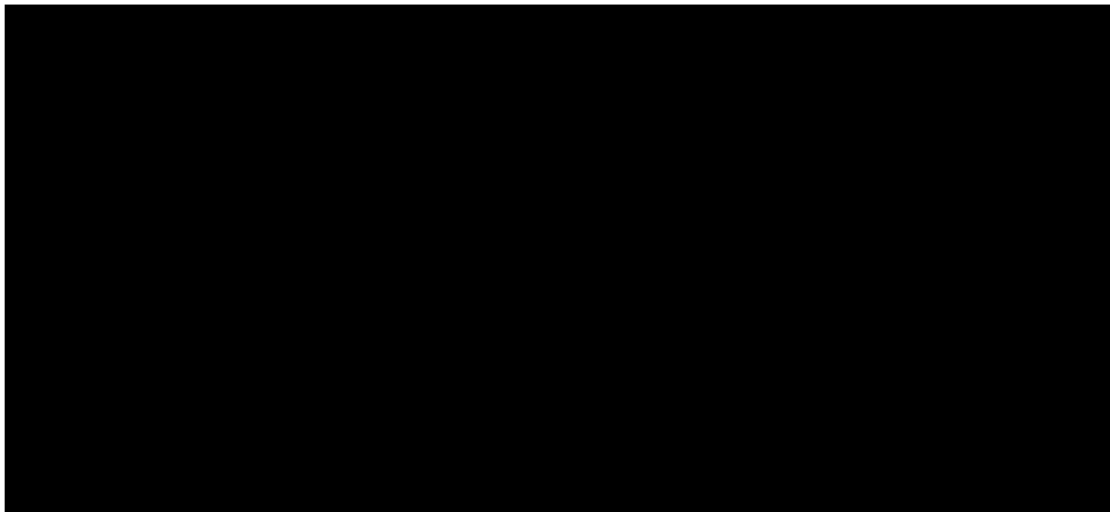
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10 January 1963

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CZECHOSLOVAK ECONOMIC REFORM PROMISED

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Background References:

BPG No. 134, 10 Feb 64, "Made in Czechoslovakia: New Meaning for an Old Trademark," with unclassified attachments, "Controversy Among Communists Over Economic Practices," and "Outline of Communist Steps Toward Subversion."

BPG No. 138, 6 April 64, "Czechoslovakia's Lagging Economy," with unclassified attachment, "Czechoslovakia Falters: 1956-1963."

BPG No. 141, 18 May 64, "The Czechoslovak Economy Declines Further," with unclassified attachment, "Kafka's Nightmare Comes True."

BPG No. 149, 14 Sept 64, "The Czechoslovak Situation," with unclassified attachment, "A Look Behind the Iron Curtain Shows Dollar's Surprising Stature."

SITUATION: The above-cited guidances have treated in detail how badly Czechoslovakia's once-flourishing economy has declined under a Communist regime. Moscow's exploitation of Czechoslovakia as a facade and financier for Soviet "aid and trade" penetration of emerging areas has, of course, been a serious drain on the economy. However, the main culprit is clearly the rigid central planning system that has studiously ignored consumer interests and needs, and has produced a vast backlog of unwanted, inferior and unsalable products.

The deterioration in the quality of Czechoslovak goods is reflected even in the Czech-Rumanian trade agreement of 19 October 63, which contains a pledge that both parties will export only products "on a par with the best products available on the world market" -- plainly a warning by

the Rumanians that they will buy in the West if the Czech product does not improve. Seventeen years after the great experiment in Communist economic planning in Czechoslovakia began, even the Czech CP leadership has been forced to acknowledge that it has resulted in an almost unqualified failure.

The debacle in Czechoslovakia is not just another Communist economic failure. In Czechoslovakia, Communist economic doctrine was put to a laboratory test under ideal or nearly ideal conditions: in 1948 the party took over an industrial society with one of the most highly skilled labor forces in the world, a plant in generally good condition (virtually undamaged by the war), and an unsurpassed reputation for quality products. This once sound State, with its tradition of high industrialization and mechanical skill, has been brought close to ruin. "How could we," a prominent Czech economist recently asked rhetorically, "the most highly industrialized nation in Eastern Europe, have taken the Stalinist system of highly centralized, non-specialized planning which sets the same broad quantitative norms for all fields of production -- a system devised to increase radically the basic, heavy industrial plant of a backward nation (Russia) -- how could we have been so stupid as to take such a system and impose it lock, stock, and barrel on our economy? It's incredible!"

Bright, New Vistas Pictured. For the past several months, the Czechoslovak press has carried on an intensive debate over plans for a radical overhaul of the entire economic system -- a total assault upon the planning and management techniques imposed by Moscow, which have long been held to be synonymous with Marxism-Leninism itself. The author of the original proposal for change was Prof. Ota Sik, director of the Economic Institute of the Czechoslovak Academy of Sciences and a member of the Party's Central Committee. Under the basic proposal, central planning, after a period of transition, would be reduced to little more than predicting market and production opportunities and choosing among major trends of possible development. The change in course toward "Progressive Market Socialism" was approved tentatively by the Party's Presidium in October 1964.

These steps represented an apparently firm intention to put into practice the recommendations of some of the country's top economic and legal experts, many of whom appear agreed that traditional Marxist-Leninist concepts have been to blame for the wreckage of their national economy. (For example, the volume of industrial production in 1963 fell below the poor 1962 level, and labor productivity and national income during 1964 remained static. Net agricultural production has shown a downward trend since the late 1950s, and President (and Party First Secretary) Novotny announced in November 1964 that Czechoslovakia would have to seek abroad for yet another 2.2 million tons of grain, the harvest having been down by one million tons as a consequence of drought. He also admitted that none of the 1964 agricultural goals had been reached except in production of potatoes.)

Three months before the new draft economic reform plan was tentatively approved by the Presidium, the conclusions of a symposium of 35 economic authorities appeared in the June and July 1964 issues of Pravnik, the journal of the Institute for Government and Law of the Czechoslovak Academy of Sciences.

Of these 35 participants, not one defended traditional Communist planning and management methods -- in which economic plan targets are arbitrarily assigned to individual enterprises. The chronic handicaps imposed by such a practice were recognized by all, Pravnik said. Moreover, a leading spokesman for fundamental economic change, Radoslav Selucky, reportedly asserted that not one of the Czechoslovak five-year plans had survived a period of two or three years in its original form, nor was there a single enterprise in Czechoslovakia whose plan had not been changed several times in any given year. Most of the symposium experts agreed, Pravnik said, that the continual interference by CP bureaucrats in the daily operations of enterprises was keeping the economy in a state of ineffectiveness and confusion.

Eugen Loebel, another well-known critic, supported Selucky by pointing out that the system of directed management had been wrong from the very beginning, and that it had caused more damage in Czechoslovakia than anywhere else in the Soviet Bloc. Pravnik also reported that the symposium participants were practically unanimous in favoring a broader application of the laws of supply and demand. Selucky stated that it was impossible to combine the classical Communist system of administrative planning with one based on the laws of supply and demand. "They are two incompatible methods," he said. Since it was impossible to salvage the present centralized Communist economy, he added, the only solution was to replace it with a system of management fully based on a free market economy.

Mirage or Reality? Despite the hopeful words, there is no assurance as yet that Prague's new plans will be approved in their original form, or if approved without substantial change, that they will bear better fruit than the administrative panaceas of the past 17 years. Whatever liberalization the regime may institute in theory, effective control may remain in the hands of party bureaucrats who were among the last and most reluctant de-Stalinizers in the Bloc. Not until seven years after Khrushchev's speech to the Twentieth Party Congress did the Prague regime, under pressure from its own intellectuals and the Soviets, jettison Karol Bacilek, First Secretary of the Slovak CP, and then Premier Viliam Siroky. President Novotny, himself the chief Stalinist holdover, while having moved in recent months to identify himself with popular pressures for political and economic reform, may lose his appetite for drastic economic reform when faced with the task of forcing it down the throats of the Stalinist party bureaucrats who administer economic affairs.

Novotny has been steeped in the tradition that rigid, monolithic politico-economic management is the sine qua non of Marxism-Leninism. He is, as in the words of Prof. Sik, one of the "many comrades who look with distrust at all unusual non-Stalinist theories" and are "accustomed to a single, absolute form of Stalinist society, including its economy and management." (Kulturni Tvorba, 19 Nov 64). While Novotny has sought to identify himself with the economic reform, in his 3 December speech in Moscow he took care to emphasize the continued importance of central control, promised a strengthening of Party control over the economy, and denied that the law of supply and demand would be allowed free play.

All this could have been for the benefit of his Soviet hosts or it might have presaged a watering down of the new economic principles by the Central Committee (CC) at this December meeting. On 18 and 19 December the enlarged presidium of the CC met to discuss the introduction of the new model economy. This was followed by a meeting of the Economic Commission of the CC on 21 December. Both meetings were apparently substitutes for a plenum of the CC itself, which Rude Pravo had announced in October would assemble in December to give final approval to the proposed reform. (in a year-end report to the nation, Novotny, in an apparent attempt to satisfy both the party bureaucrats and the economists/technocrats, asserted that the proposed reform would not negate past principles of management and organization of the economy, while elsewhere asserting the need to eradicate conservatism in order to open the door to ability, elasticity and skill.)

The switch in forums suggests that the Prague leadership has either run into opposition to the reform, or is divided on how far-reaching it should be or both. If there is opposition, it probably is concentrated in the CC itself, where a large number of members and candidate members are also economic functionaries notorious both for their incompetence and for their close identification with middle level cadres of Stalinist leanings. Certainly there is recognition by all involved that full implementation of the proposed economic changes would strongly curtail the political power of the Party bureaucracy and greatly enhance the political influence of the ablest managers of industry, many of whom are not CP members. The power to determine the actual operations of the nation's economy on both a daily and long-range basis would pass out of the hands of Party bureaucrats, at least in part. This could be intolerable to the many Party officials and managers who have a vested interest in retaining the maximum of control for the central authorities.

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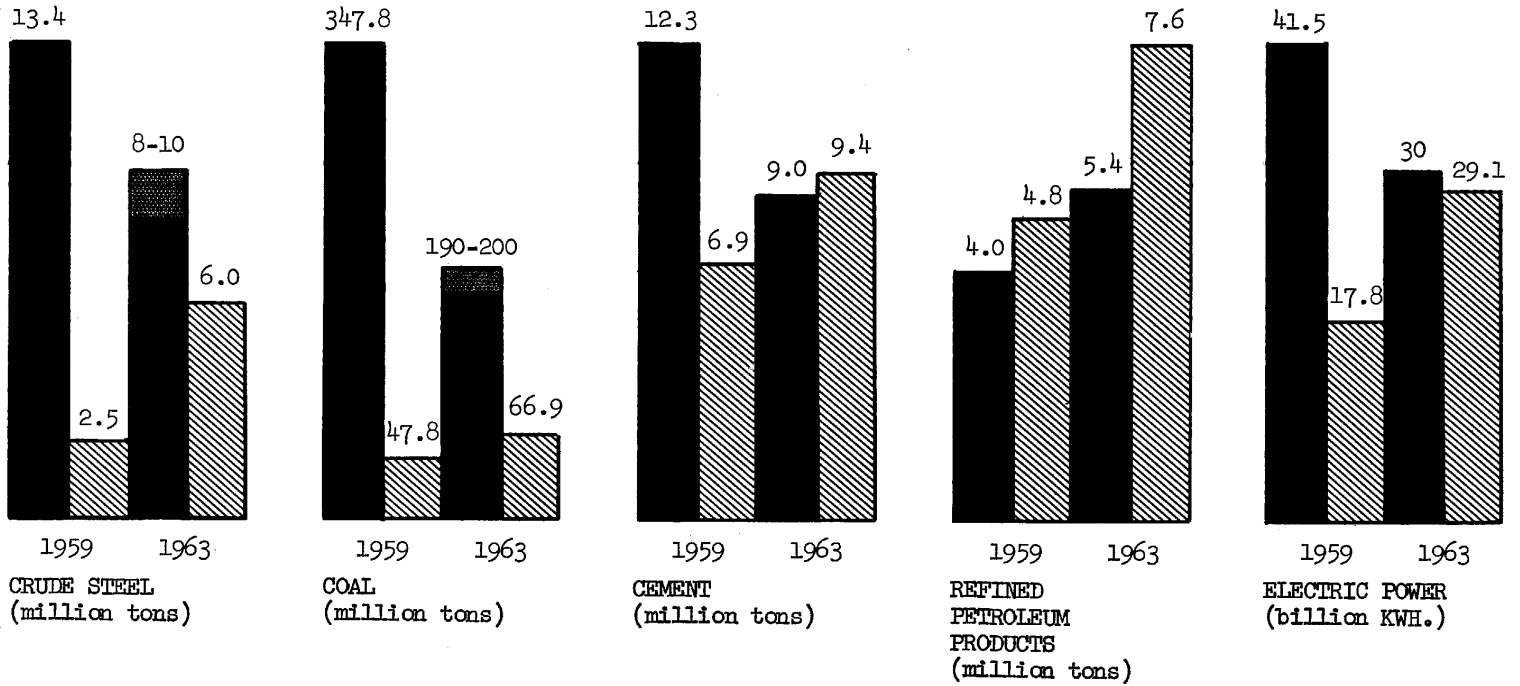
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CHINA AND INDIA: COMPARISON OF OUTPUT OF SELECTED INDUSTRIAL PRODUCTS, 1959 and 1963

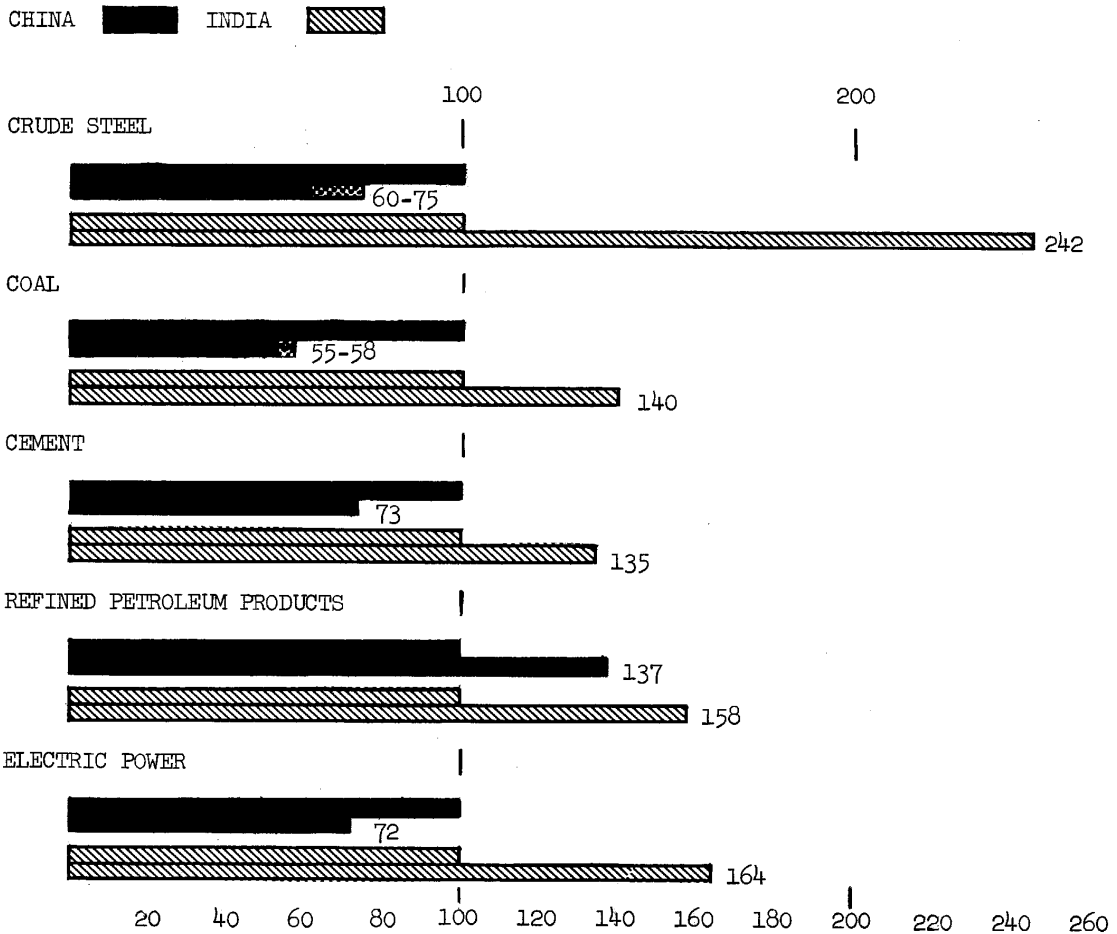
CHINA  INDIA 



NOTE: Bars depict true comparisons within each commodity only. Different scales are used to show commodities with a wide production range on a single chart

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CHINA AND INDIA: INDEXES OF OUTPUT OF SELECTED INDUSTRIAL PRODUCTS, 1959 and 1963



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China and India: Comparison of Selected Industrial Commodities  
1959 and 1963

Item	Unit	China			India		
		1959 a/	1963 b/	1963 as percent of 1959	1959 c/	1963 d/	1963 as percent of 1959
Crude Steel	Thousand metric tons	13,350	8,000 to 10,000	60 to 75	2,473	5,976	242
Coal	Thousand metric tons	347,800	190,000 to 200,000	55 to 58	47,800	66,912	140
Cement	Thousand metric tons	12,270	8,970 e/	73	6,936	9,360	135
Refined Petroleum Products	Thousand metric tons	3,960 f/	5,430 g/	137	4,801	7,600 h/	158
Electric Power	Million kilowatt-hours	41,500	30,000	72	17,794 i/	29,100 j/	164

- a. New China News Agency, Press Communique on the Growth of China's National Economy in 1959, Peking, January 22, 1960, except as noted.
- b. Colina MacDougall, "Filling the Gap," The Far Eastern Economic Review, Vol. XLIV, No. 68, Hong Kong, April 16, 1964.
- c. Statistical Office of the United Nations, Statistical Yearbook, 1963, New York, 1964.
- d. Statistical Office of the United Nations, Monthly Bulletin of Statistics, Vol. XVIII, No. 11, New York, November 1964, except as noted.
- e. U.S. Bureau of Mines, Mineral Trade Notes, Vol. 59, No. 3, Washington, D.C., September 1964.
- f. Estimated to be 92 percent of the total amount of crude oil available. Domestic production is reported in New China News Agency, Press Communique on the Growth of China's National Economy in 1959, Peking, January 22, 1960; and imports are reported in The Foreign Trade of the USSR for 1959, Moscow, 1960.
- g. Estimated to be 92 percent of the domestic production of crude oil reported in Colina MacDougall, "Filling the Gap," The Far Eastern Economic Review, Vol. XLIV, No. 68, Hong Kong, April 16, 1964.
- h. The Eastern Economist, New Delhi, October 30, 1964.
- i. For the fiscal year April 1, 1959 to March 31, 1960.
- j. Estimated. Production by enterprises generating primarily for public use is reported in Statistical Office of the United Nations, Monthly Bulletin of Statistics, Vol. XVIII, No. 11, New York, November 1964; and the production by industrial establishments generating primarily for their own use is estimated.

China and Japan: Comparison of Selected Industrial Commodities  
1959 and 1963

Item	Unit	China		Japan	
		1959 a/ as percent of 1959	1963 b/ as percent of 1959	1959 c/ as percent of 1959	1963 d/ as percent of 1959
Crude Steel	Thousand metric tons	13,350	8,000 to 10,000	60 to 75	16,629
Coal	Thousand metric tons	347,800	190,000 to 200,000	55 to 58	47,258
Cement	Thousand metric tons	12,270	8,970 e/	73	17,270
Refined Petroleum Products	Thousand metric tons	3,960 f/	5,430 g/	137	18,016
Electric Power	Million kilowatt-hours	41,500	30,000	72	99,101 h/

- a. New China News Agency, Press Communiqué on the Growth of China's National Economy in 1959, Peking, January 22, 1960, except as noted.
- b. Colina MacDougall, "Filling the Gap," The Far Eastern Economic Review, Vol. XLIV, No. 68, Hong Kong, April 16, 1964.
- c. Statistical Office of the United Nations, Statistical Yearbook, 1963, New York, New York, 1964.
- d. Statistical Office of the United Nations, Monthly Bulletin of Statistics, Vol. XLIII, No. 11, New York, November 1964, except as noted.
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- g. Estimated to be 92 percent of the domestic production of crude oil reported in Colina MacDougall, "Filling the Gap," The Far Eastern Economic Review, Vol. XLIV, No. 68, Hong Kong, April 16, 1964.
- h. Refers to production in 1962. Statistical Office of the United Nations, Statistical Yearbook, 1963, New York 1964.
- i. For the fiscal year April 1, 1959 to March 31, 1960.
- j. For the fiscal year April 1, 1963 to March 31, 1964.

18 January 1965

Chinese Communist Officials Harangue Youth  
on Need for Revolutionary Zeal

The following quotations from the Chinese Communists press and radio are selected at random from the vast amount of material stressing the need to instill revolutionary zeal in the young people. They indicate the intensity with which these Communist leaders view their problems.

Hu Yao-pang speech at Congress of Chinese Young Communist League in July 1964:

"The 'peaceful evolution' from Socialism to capitalism has long been realized in Yugoslavia. Today Khrushchev is the greatest revisionist. Under his leadership the fruit of socialism gained through the sweat and bloodshed of the great Soviet people is being frittered away and bourgeois influence is becoming rampant. Broad groups of young people are being corrupted by capitalism to a grave extent. This cannot but rouse our vigilance."

\* \* \* \* \*

Peoples' Daily editorial of 3 August 1964:

"The lessons to be drawn from the damage that the modern revisionists have done to the Soviet Union and the living facts of the class struggle in our country are a warning to us. In the long, involved class struggle, we must constantly increase the strength of the nucleus of party leadership at all levels to resist corrosion by the class enemy. We must pay greater attention to the choosing, cultivating and training of the successors to the nucleus of the leadership at all levels."

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Red Flag article of 22 September, by An Tzu-wen:

"If the proletariat is to pursue the revolution to the end, it must be skilled at distinguishing the genuine from the fake Marxist-Leninists, and must choose and train successors to the revolution carefully so that the responsibility for leading the revolution will be handed over to the genuine Marxist-Leninists and the usurpation of the leadership by the fake Marxist-Leninists will be prevented."

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Fed Flag (14 July 1964) article:

"Viewing the development of revisionism in the Soviet Union, our class enemies at home have decided that the day will soon come for

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Fact Sheet

18 January 1965

Czechoslovakia's Burden

During late 1963 and 1964 Czechoslovakia announced multi-million-dollar aid and trade agreements with Ghana, Guinea and India, lesser activities in Angola, Burma, Cambodia, Mali and Zanzibar, and there were even reports of an arms deal with Haiti. Czech penetration has been heavy in Latin America, where the CSSR has full diplomatic relations with Argentina, Bolivia, Brazil, Cuba, Mexico and Uruguay; a consulate general in Colombia; and trade representation in Chile and Venezuela. In 1964 the Czechs are believed to have had more personnel in Latin America than the Soviet Union and other Satellites combined; the demonstrable Czech per capita contribution to political activities abroad was more than twice that of the Soviet Union. Paralleling widespread complaints of shoddy Czechoslovak exports there have been public exposures of Czech-directed espionage and subversion in West Germany, Switzerland, Argentina, Brazil, Ecuador and even Iceland. Following the Communist subversion of Cuba, the Czechs in Latin America needed no longer go to Prague for personnel, supplies and directives. The Latin American offensive could be run directly from their major base in Cuba, where the Czechs built up to an estimated 4,000 personnel. Many Czechs have been grumbling because they feel that the more than \$430 million that Prague has poured down the Cuban drain could have been better utilized to boost their own faltering economy.

The Czechoslovakian people have carried the burden of economic penetration ordered by Communist leaders. Free countries which Soviet officials have singled out for subverting and influencing are indicated in the stories carried in Czechoslovak media September-December 1964, as follows:

Technicky Tydenik, Prague, 16 Sept 64:

"The 'Kovo' Foreign Trade Enterprise constructed in Mali at the beginning of 1964, two large transmission centers. Now there have been put into operation additional Tesla SRV 30 transmitters."

Rude Pravo, Prague, 12 Oct 64:

"K. Rucka, a representative of the Czechoslovak Embassy in Dar es Salaam, presented a gift of a hundred tons of sugar from the Czechoslovak Government and people to the inhabitants of Zanzibar on 10 Oct 64. The island had rid itself of a pro-British regime in January of this year."

Handelsblatt, Duesseldorf, 22 Sept 64:

"Up to 1967, over 1,000 Czechoslovak experts and specialists will be sent to India to work on the planning and assembly of industrial enterprises which India is constructing in cooperation with Czechoslovakia."



Rude Pravo, Prague, 14 Oct 64:

"A Czechoslovak government delegation headed by Prof. Dr. K. Boda, left for the People's Republic of Mongolia on 13 Oct 64."

Rude Pravo, Prague, 4 Oct 64:

"The 'Motokov' Foreign Trade Enterprise of Czechoslovakia has given as a gift to the government of Kenya, a 50 Super Zetor tractor, it having been on exhibit with other Czechoslovak machines at the Kenya Agricultural Exhibit in Nairobi."

Technicky Tydenik, Prague, 21 Oct 64:

"The Kralovo Pole Machine Building Plant in Brno has delivered the last parts of two sewage purification plants for the eastern and western parts of the city of Alexandria in the UAR."

Pravda, Bratislava, 24 Oct 64:

"Mongolian Youth Delegation in Czechoslovakia."

Noviny Zahranicneho Obchodu, Prague, 21 Oct 64:

"Czechoslovak-Indonesian Economic Co-operation."

Kridla Vlasti, Prague, 14 Oct 64:

"Czechoslovak Planes for Indonesia and Rhodesia."

Rude Pravo, Prague, 25 Oct 64:

"Czechoslovakia and India Sign Five-Year Economic Agreement."

Pravda, Bratislava, 25 Oct 64:

"Somali delegation arrives in Czechoslovakia at the invitation of the Czechoslovak Society for International Relations to study the possibilities for expanding cultural contacts between the two countries."

Ceskoslovensky Svet, Prague, 15 Oct 64:

"Czechoslovak-Bolivian Economic Co-operation."

Rynki Zagraniczne, Warsaw, 27 Oct 64:

"Czechoslovakia will supply Pakistan with complete equipment for a cement plant, as well as other investment goods valued at 10 million dollars."

Rude Pravo, Prague, 31 Oct 64:

"By 1970 Czechoslovakia will construct for the UAR two of the largest sugar refineries in the world."

Rude Pravo, Prague, 31 Oct 64:

"Czechoslovak Party and Government Delegation Visits Algeria."

Rude Pravo, Prague, 4 Nov 64:

"In the next few days a 25-member group of young construction workers and other technicians will leave Czechoslovakia for a 3-month stay in Algeria. They will participate in the International Youth Construction involving the renewal of villages destroyed by the French colonists."

Rude Pravo, Prague, 3 Nov 64:

"Czechoslovakia will aid in the construction of plants in the Kashmir. Dr. Ivan Rohal-Tlkiv has announced that Czechoslovakia will present a completely equipped laboratory as a gift to the intermediate schools in Jammu and Kashmir."

Pravda, Bratislava, 12 Nov 64:

"A completely equipped field surgical dressing station and an ambulance for the transportation of wounded was presented yesterday as a gift from the Czechoslovak workers to the National Front for the Liberation of South Vietnam."

Rude Pravo, Prague, 14 Nov 64:

"CKD Blansko is devoting attention to the fulfillment of the order of a second vertical Kaplan turbine for the hydroelectric plant in Cachoeira Dourada in Brazil. Our water turbines will also be put into operation for the first time in Ceylon."

Markt Informationen, Berlin, 2 Nov 64:

"About 200 industrial enterprises have been constructed in developing countries up to now, with assistance of Czechoslovakia. In the last few years, Czechoslovakia has been one of the major suppliers of complete industrial equipment for the developing countries. -- All the orders fulfilled by Czechoslovakia involve long-term credits at low interest rates."

Rude Pravo, Prague, 17 Nov 64:

"A plant for the production of analine, constructed with the aid of Czechoslovak specialists, was put into operation in Mexico on 14 Nov 64."

Technicky Tydenik, Prague, 11 Nov 64:

"Czechoslovak Sugar Refinery for Syria."

Technicky Tydenik, Prague, 11 Nov 64:

"In the third quarter of 1964, a plant (including smelting furnace) for the production of aluminum tableware, constructed with Czechoslovak assistance, began operation in Ghana."

Ceskoslovensky Svet, Prague, 12 Nov 64:

"Over 3,000 foreign students from more than 80 countries of Latin America, Asia and Africa are studying in Czechoslovakia."

Noviny Zahranichiho Obchodu, Prague, 2 Dec 64:

"The Czechoslovak State Bank is systematically offering technical banking aid to the developing countries. One form of this aid are the regular 6-month courses for employees of banking and financial organs from the developing countries."

Lidova Demokracie, Prague, 28 Nov 64:

"Czechoslovak Catholic Delegation Leaves for 38th Eucharistic Congress in India. They were seen off at Ruzyně Airport by leading functionaries, including the Deputy Central Secretary of the Czechoslovak Peoples Party. Our reporter was told that the Eucharistic Congress is being held in India, a country rich with religious tradition, for the first time. The Congress can, therefore, have a great influence on strengthening religious toleration and understanding among nations."

Noviny Zahranichiho Obchodu, Prague, 16 Dec 64:

"Foreign students who have been studying for 5 and 6 years at schools in Czechoslovakia and have mastered the Czech language well, recently received their engineering diplomas. At the start of January most of the graduates will return home to the developing countries. In the day prior to graduation, the students were invited by the employees of 'Strojimport' (Foreign Trade Enterprise). This was not a one-shot affair, because after these young engineers return to their respective countries, 'Strojimport' will continue to keep in contact with them regularly."