Sino-Soviet relations and Albania: East-West relations

Generally.

A. Sino-Soviet relations.

1. The most plausible interpretation of Khrushchev's motive in raising the issue of Albania at the Party Congress was that he intended his attack to be aimed at both Albania and China. He was seeking to bring about a change of policy or leadership in Albania, and he wanted to get bloc opinion on his side. Simultaneously, he wanted to force Peking to desist from further support, without which the Albanian regime would have difficulty in surviving. Moreover both China and Albania were bracketed together in his mind as adherents of Stalinist policies, against which he was anxious in any event that the Congress should deliver a severe remonstrance.

2. The outcome of Khrushchev's move so far has been to re-open publicly the Soviet quarrel with China, without resolving the difficulty with Albania. The "acupuncture" has in fact failed to work.

3. Unpredictable through Khrushchev's behaviour often is, it seems unlikely at the moment that he is contemplating action which might precipitate a complete breach with China.

4. What then are the Soviet objectives? They are certainly trying to get the Chinese to change their policy on the specific issue of Albania. If they succeed in doing this it will not only be the end of the Hoxha regime, but will also reflect on the honour of the Chinese and weaken their position in the eyes of the rest of the bloc. They probably hope that even without the cessation of Chinese support the Hoxha regime will fall. In the longer term the Soviet objective must be to maintain /their
their supremacy in the world Communist movement in the face of the Chinese challenge, to preserve as far as possible the unity and appearance of unity of the bloc whilst challenging China on issues where they are likely to be easily isolated, and looking forward to the day when the leadership of Peking will change and when with the loss of their initial revolutionary fervour their ideas will fall more into line with those of the Soviet Union.

5. Nor does it seem likely that the Chinese, for their part, are working for an immediate break with the Soviet Union. They will not wish to take the first overt step which might give the Soviet leaders cause to blame them for breaking the sacred bonds of bloc unity and Sino-Soviet friendship. In private Party meetings they are taking the line that they believe Khrushchev will eventually be overthrown. They are likely to continue to stress unity and to avoid attacking the Soviet Union directly whilst maintaining their present support for Tirana. For the moment the Soviet leaders are also behaving with care so as not to give the Chinese a chance of blaming them for breaking unity. While this situation persists, a break will be averted.

6. The continuation of the Sino-Soviet dispute is in the interest of the West, but it must be recognised that there is little that we can do to exacerbate it. Nevertheless, by continuing to trade with China in certain essential commodities – particularly grain, fertilizers and some engineering goods – the West must be reducing China's economic dependence on the bloc, and consequently increasing her freedom to diverge from the Soviet Union. This may become especially important over oil. As long as China believes that she can if necessary obtain oil from the free world, she will not be afraid of an embargo by the bloc, whence she now draws practically all her imports.

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7. Conversely, a Western refusal to trade with China, whether in oil or other vital imports might well, lead to an increase in China's feeling of dependence on the bloc, sufficient to bring about at least a temporary relaxation of Sino-Soviet tension.

B. East-West Relations

8. Chinese pressure did not prevent Khrushchev from conducting a limited but distinct detente at the time of President Kennedy's accession, and again since mid-September, 1961. At the moment the Soviet Government are maintaining the distinction - unacceptable to the Chinese - between the "hotheads" in the United States, who want war, and President Kennedy himself, who does not. Thus, the way is left open for an eventual Soviet-United States detente, which would in no circumstances be blessed by Peking.

9. Such a detente could not easily come about in advance of a settlement on Berlin. If it occurred, it is likely to include a suggestion that President Kennedy should take up his predecessor's invitation to visit the Soviet Union. Quite apart from Chinese influence, however, it seems very doubtful whether Khrushchev would ever wish to try to revive the "Camp David spirit" in its fullest form.

C. Albania

10. Isolated (except for China) within the bloc, Albania has recently been seeking to expand her diplomatic and commercial relations with the West. At present the only Western countries with missions in Tirana are Italy, France and Turkey. The Albanians have now requested an exchange of diplomatic representation with the Netherlands and Austria. (For the United Kingdom position see paragraph 12(e) below). The Albanian-Italian trade agreement of December 6, 1961 is the most conspicuous result of this shift.
11. We are in the process of trying to formulate our policy towards Albania, with special reference to the economic side. When we have reached a conclusion, we shall inform the Italians and our other NATO allies. The Italian view has been put to us by Signor Quenti, the Ambassador.

12. Our tentative views at the moment are as follows:

(a) It is in the Western interest that Albania should remain outside the complete control of Moscow. Her present position as an apple of discord in the bloc suits us very well.

(b) To take any initiative openly designed to help Albania would be unprofitable, and perhaps counter-productive.

(c) It follows that we should not take any action which could be interpreted as running after Albania, but should be reasonably responsive to any overtures from their side.

(d) So far as the United Kingdom is concerned this would mean in practice that there could be no question of economic aid, but that we should welcome an increase in Anglo-Albanian trade if this can be achieved. (At present the scale is minuscule: the total in both directions in the 3 years 1958 - 60 barely exceeded £30,000).

(e) Diplomatic relations with the United Kingdom must wait until Albania makes some move towards payment of the £843,947 awarded to the United Kingdom by the International Court as a result of the Corfu Channel incident of 1946.

13. Notes:

(i) It would be useful if the Prime Minister could tell Signor Fanfani that we greatly value the information on Albania which we receive from the Italians through various channels. Having no missions in Tirana we rely heavily on such reports.

(ii) A note on the question of the Albanian gold is attached.

/Background Note: