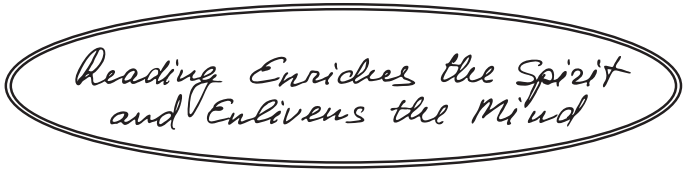

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CAESAR 11

12 September 1955

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RESIGNATION OF MALENKOV

[redacted]

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TOP SECRET

CAESAR 11

TABLE OF CONTENTS

RESIGNATION OF MALENKOV

INTRODUCTION

A number of differing interpretations have been advanced to explain the demotion of G. M. Malenkov in February 1955 from his position as Chairman of the USSR Council of Ministers. At one end of the spectrum of interpretation is the view that Malenkov's demotion represented his defeat in a struggle for personal power, with little or no conflict over matters of domestic or foreign policy involved. At the other extreme is the view that sharp conflict existed or developed over policy problems, that in some manner the conflict on these problems came to a crisis, and Malenkov's ouster represented the resolution of this crisis. A third interpretation involves a "scapegoat" theory, according to which continued failures in Soviet agriculture or consumer goods production required that someone be "served up" as responsible for the failures.

There are numerous variants of these basic hypotheses. Variants of the power struggle theory range from rivalry of the individuals to rivalry of cliques and groups; from development of rivalry for heritage of Stalin's mantle to the working out of long-standing enmities rooted deep in the past. Of the policy conflict hypothesis, different versions attribute primary significance to foreign policy issues--Germany, Communist China, over-all assessment of the contemporary situation; to domestic issues--agricultural problems and policies, light versus heavy industry, short-run military requirements versus longer-run strengthening of the economy; and so on.

Under the "scapegoat" theory, one version is that the regime failed in its "new course" program for the consumer; another is that continued failure radically to improve agriculture required that someone be blamed.

Some analysts have attempted to avoid attributing undue significance to any one factor or several factors, and instead view the ouster of Malenkov as resulting from the interaction of all of the various factors. The problem, in this view, is to attempt to trace out the pattern and mutually reciprocal interactions of the various causal factors.

Each of the above views constitutes a hypothesis and a problem. Given a factor or "cause," to what extent did that factor actually operate in the Malenkov upset, and how important a role did it play?

The following paper assembles and re-examines the principal evidence believed pertinent to the leadership problem in the USSR. The re-examination was directed at ascertaining the validity of various causal elements in Malenkov's upset. The paper is not, therefore, an historical "reconstruction" of Malenkov's ouster and of Khrushchev's rise, a topic which in itself offers promising opportunities for further research.

MALENKOV'S RESIGNATION AND "OFFICIAL" EXPLANATIONS GIVEN

The "resignation" of G. M. Malenkov as Chairman of the USSR Council of Ministers on 8 February 1955 climaxed a long period witnessing the rise of N. S. Khrushchev to pre-eminence among the Soviet leaders, and more immediately, a period manifesting signs of controversy among the top leaders of the Soviet Union.

Specifically, the month preceding Malenkov's demotion was marked by authoritative Party attacks against "perversions" of the Party line, allegedly favoring equal or higher rates of growth in light industry as compared with heavy industry. References were made to "rightist deviation" in this connection. A "Stalinist" tone had developed in the political atmosphere: there was the emphasis on heavy industry; the references to "right deviation"; numerous references to a foreign danger to the USSR and the Soviet bloc; and justification of the heavy industry line on the grounds of increasing the military might of the USSR. Also, late in January a Plenary Session of the Central Committee was held, and it was announced that the Supreme Soviet was to convene on 3 February. The date set for the Supreme Soviet was a month earlier than usual, and this fact, conjoint with the other indications noted, created an expectation that important decisions would be announced.

The Supreme Soviet session itself first witnessed important revisions of the USSR budget, as compared with the 1953 and 1954 budgets. Significant changes were a substantial increase in overt defense expenditures, a leveling-off of capital investment, and a substantial retrenchment in allocation for light industry.

In this setting, the world was electrified on 8 February by the presentation to the Supreme Soviet of a letter of "resignation" from Malenkov. This letter is of considerable interest in itself, and the text invites certain commentary.

a. Malenkov based his "request" on "the necessity of strengthening the leadership" of the Council of Ministers and "the expediency of having /in this/...post...another comrade who has greater experience." Further, Malenkov admitted that his performance was "negatively affected" by "insufficient experience in local work" and by the fact that he did not earlier "effect direct guidance of individual branches of the national economy."

The above remarks, while not exactly false, are not fully true. Malenkov, although he never possessed the formal title of Minister, did in fact direct "individual branches" of the national economy: during the war he was responsible for aircraft production; from 1943 until at least 1946 he was responsible for reconstruction in war-devastated areas; from 1947 to 1953 he held high-level responsibility for agriculture. Also, from 1948 to March 1953, he was the top Secretary, under Stalin that is, of the Central Committee.

It is interesting to recall that several sources have averred that Malenkov's political decline in 1946 resulted from charges by his political enemies of inefficiency and lack of foresight in Soviet aircraft manufacture, planning and development. Also, Malenkov's leadership in reconstruction of war damage is believed to have involved him in serious conflicts with other top Soviet leaders in 1945 and 1946 and to have been one of the political issues connected with his decline in 1946.

It is also interesting to compare Malenkov's experience in directing "branches" of the economy with Bulganin's who succeeded him as Premier. Although Bulganin had been a director of Gosbank and was Minister of Defense from 1947 to 1949, he has had no more experience at the USSR Council of Ministers level than Malenkov.

b. Malenkov in his next section proceeds to contradict his own preceding statement by admitting that "for several years previously (v techenie ryada let do etogo)" he had the assignment "to control and guide the work of central agricultural organs and the work of local party and administrative organizations in the sphere of agriculture." Malenkov admitted "guilt and responsibility for the unsatisfactory state of affairs which has arisen in agriculture."

This is the only specific failing Malenkov discusses. It very probably refers to the period 1947 to 1955, and makes very strong the possibility that he was involved in the "agrogorod" dispute of 1951, the principal figure of which was N. S. Khrushchev. It will be recalled that at the October 1952 Party Congress, Malenkov in his review of domestic policies remarked that "certain of our leading comrades" had advanced and supported this "incorrect" policy.

It will also be recalled that the original charges against Beria included a reference to opposing reforms in agriculture.

c. Malenkov states, regarding the agricultural tax reform, "it is opportune to say that it was carried out on the initiative of and in accordance with the proposals of the Central Committee of the CPSU, and it is now evident what an important role this reform has played..."

This statement, at least technically, is probably false. The agricultural tax reform was proposed and approved at the August 1953 Supreme Soviet session; the Plenum of the Central Committee held in July 1953 concerned itself, so far as is known, with the Beria case. More important for our purpose here is a statement made by Khrushchev at the September 1953 Central Committee session on agriculture. Khrushchev said, concerning the Supreme Soviet actions on obligatory procurements and tax reform, that "the USSR Council of Ministers and the Presidium of the Party Central Committee...considered /these measures/ necessary..."

[redacted] reported in 1954 that the tax reform had been very popular among the peasantry and that they tended to identify this reform with Malenkov. This seems very likely, and would explain the contrived effort to dissociate this measure from Malenkov.

d. Malenkov finds it necessary twice to say that "on the initiative and under the guidance of the Central Committee" serious and large scale efforts for surmounting agricultural deficiencies were being undertaken. Malenkov states that this program is "based on the only correct foundation: the further development by every means of heavy industry." Malenkov adds that only this course can result in a real "upsurge" in production of "all commodities essential for popular consumption."

Interestingly, the above reference to heavy industry is the only reflection, in the whole official public documentation of Malenkov's demotion, of a presumed inner-Party controversy concerning the respective rates of growth of light and heavy industry. As will appear later, there is no real reason not to believe that Malenkov personally espoused the so-called "consumer goods" program. Yet Khrushchev had tagged advocates of preferential development of light industry as

"right deviationists." Thus the Malenkov text appears deliberately to avoid this issue, so as not to equate Malenkov, at this stage at any rate, with the "traitors" Bukharin and Rykov.*

Several speculative points can be made regarding this letter of resignation. The first concerns the emphasis on inexperience and lack of leadership. One can legitimately ask: were these "facts" not known when Malenkov was first made Chairman of the Council of Ministers? The implication is that Malenkov should never have received this post at all, with the suggestion that some unusual factors must have operated to elevate him to this post. This consideration provokes renewed speculation regarding the role of Beria in the period following Stalin's death.

A second point is that these same references may be taken to signify an element of resentment, and perhaps even revenge, on the part of the older members of the Presidium, several of whom are "old Bolsheviks," against the younger "upstart" Malenkov. This would imply a certain element of personal friction and animosity between Malenkov and the senior Soviet leader.

The actual circumstances of Malenkov's ouster are unknown. It seems almost certain, however, that the matter was decided at the Central Committee plenum held from 25 through 31 January. For example, on 6 February the US Embassy reported that members of the Hearst party, which arrived in the USSR on 25 Janauary, were told they would be received by Bulganin if they could stay until the conclusion of the Supreme Soviet meeting. Their numerous requests for an interview with Malenkov were apparently ignored by the Russians. Furthermore, the Embassy noted on 6 February that Malenkov's name had not been mentioned once by speakers at the Supreme Soviet, which began on 3 February, whereas more than half of the speakers had referred to Khrushchev in one way or another. This appears to reflect an already accomplished shift in power relationships. Finally, [redacted] have reported that the fact of Malenkov's demotion was quite well known in certain Soviet circles before the Supreme Soviet meeting took place.

Pierre Courtade, speaking on a Cominform broadcast to France on 3 May, gave an interesting discussion of Malenkov's demotion. The discussion presented his "resignation" as a prime example of the workings of the "superior" Soviet "democracy." Inter alia, Courtade stated that "the question had been discussed previously /to its announcement/ by the Central Committee of the CPSU, and the deputies of the Soviet parliament had received exact information on the whole situation."

* The Hungarian comrades were not so thoughtful in their treatment of Nagy.

Courtade, the foreign editor of L'Humanite, earlier had given [redacted] an account of Malenkov's "economic shortcomings," and, while denying that there had been any differences with Malenkov on foreign policy, added that Malenkov had been prepared to "sacrifice the East German comrades" though "not in the same sense" as Beria.*

Ambassador Bohlen reported on 9 February a version of the Malenkov ouster circulated by Ralph Parker, correspondent of the London Daily Worker. According to this story, Malenkov walked out of the Central Committee discussion of economic problems, and only after this action was the decision made to replace him. Elaboration of this story was reported on 10 March. According to Parker, who allegedly received the information from a Soviet source, it had been Foreign Minister Molotov who attacked Malenkov at the Central Committee; Khrushchev was allegedly absent that day. Molotov charged that Malenkov as Prime Minister brought confusion in the Soviet economy by overemphasis on consumer goods production. The important matters were apportionment of vital raw materials and of skilled technical workers. Molotov asserted that, in effect, Malenkov was disregarding or exceeding the instructions of the Central Committee. Furthermore, according to this story, Molotov said that Malenkov had encouraged government workers in various economic ministries to disregard the Party representatives. The Plenum then reportedly voted against Malenkov's policies, at which point Malenkov lost his temper and walked out.**

Yuri Zhukov, a Central Committee member and a deputy editor of Pravda, took some pains to impress [redacted] the idea that developments such as the Malenkov affair were not the result of "mere clashes" of personalities or rivalries. Zhukov assented "emphatically" [redacted] that different personalities reflected different lines of policy, philosophy, et cetera. Zhukov also [redacted] played down the idea that "the military" were taking over the direction of events.

* See below, page 9, on Beria's alleged views on Germany.
** Ambassador Bohlen, while interested in the idea that it was Malenkov's recalcitrance that forced the issue, nonetheless noted that Parker's version does not, except on the point of maladministration, coincide in any respect with the official overt Soviet line on the demotion.

A 31 January 1955 Central Committee Resolution, signed by "all of the members of the Presidium" (including Malenkov?) was reported to have contained the following accusations:

a. Malenkov lacked decisiveness and experience to direct the government. He had handled a number of important foreign and domestic policy matters incompetently.

b. Malenkov had been politically "near-sighted." He had been under the influence of Beria, supported him, and had been blind to the significance of Beria's proposal to halt efforts to socialize East Germany and to permit reunification of Germany as a "bourgeois" buffer state. Malenkov permitted Beria's "adventuristic" schemes to take place: specifically the "Leningrad Affair" and the "Yakovlev Affair." He likewise permitted Beria's rural program to be carried out.

c. Malenkov's emphasis on light industry implied a retardation of the tempo of heavy industrial production. This was a "rightist deviation."

d. Malenkov attempted to seize complete control of the Party and government.

The only ameliorating statement was that when Beria's activities were exposed, Malenkov took a prominent and decisive role in denouncing and removing him.

Another discussion of the background of Malenkov's demotion took place between and Party First Secretary Khrushchev Khrushchev in this interview was outspokenly critical of what

* This section is replete with qualifiers "apparently" and "reportedly." Four different versions of this interview, or parts of it, are available, and one cannot be too sure exactly what Khrushchev did say. Not all of the reports are first hand, and one noted that Subandrio "was not being coherent" in his account of the interview. However, the large measure of agreement on the basic ideas expressed makes it probable that the sense, if not the exact words, of the conversation is accurately rendered.

he termed "the previous government," unmistakably referring to Malenkov. This polemic was startling and practically unprecedented, in that one Soviet leader discussed another Soviet leader with a foreign representative.

Khrushchev was quite critical of Malenkov's administration. He apparently accused Malenkov of "bureaucratic methods," and also of placing reliance on the state apparatus, rather than upon the Party and Party channels.*

Khrushchev reportedly stated that a wrong course had been adopted in dealing with the problem of demand. Malenkov had created demands in the Soviet people without having created the capacity for satisfying them. It was now clear that the only proper method of raising the standard of living was through continued emphasis on the development of heavy industry.**

On foreign matters, so it is reported, Khrushchev stated that Malenkov had not been sufficiently "strong." He did not know exactly what he wanted; he was uncertain, weak and confused. Khrushchev asserted that the firmer tone of the Soviet attitude in foreign affairs, as compared with the "previous government," should not be taken to reflect aggressive intentions, but was designed to "sober" aggressive circles abroad, especially in the United States. Khrushchev reportedly added in this connection that the Soviet Union was not afraid of US bases, since the US must be aware that the USSR could destroy these bases with "a blow."

Other lesser Soviet officials have also on occasion "frankly" discussed Malenkov's alleged managerial and executive deficiencies with foreigners.

* This accusation has not figured in any overt discussion of the Malenkov affair. Again, what the Russians did not say, Rakosi in Hungary did--i.e., that Nagy attempted to disregard the Party and to elevate the role of the state apparatus with respect to the Party.

** This is an interesting reversal of Khrushchev's reply to MacDuffie's question regarding the return to heavy industry. Khrushchev said on that occasion that there was no such "return," since the Party had never removed emphasis from heavy industry in the first place. Khrushchev said that Soviet statements had been "misinterpreted" in the West.

KHRUSHCHEV'S RISE IN PROMINENCE SINCE STALIN'S DEATH

In the 23 months since Stalin's death, Khrushchev moved from fifth position in the listings of the all-powerful Party Presidium to a position of top influence in the USSR.

The stage for his rapid rise was set in March of 1953, when Malenkov resigned from the Party Secretariat, leaving Khrushchev as senior man on the body that exercises immediate supervision over the powerful Party apparatus and controls most personnel appointments. It was the vehicle for Stalin's rise to power in the 1920's.

Following the purge of Beria in July of 1953, Khrushchev moved up to number three position in the listing of the Party Presidium. Then, in September of that year, a plenary meeting of the Party Central Committee made him First Secretary of the Party and heard his report detailing the important new agricultural program.

During the latter months of 1953, Khrushchev continued to receive considerable publicity in connection with the agricultural program, and in February 1954 he made another highly-publicized report to the Central Committee outlining the results and prospects of the agricultural program. By this time Khrushchev was receiving more personal publicity than any other top Soviet leader and had definitely outstripped Molotov to become number-two man in the hierarchy.

The extent of Khrushchev's rise was fully revealed in April of 1954 when he and Malenkov each gave a principal address to one of the houses of the Supreme Soviet, Khrushchev appearing before the slightly more important Council of the Union.

During the spring, Khrushchev's personal publicity far outstripped that of the other Soviet leaders and reached a point where it threatened to shatter the facade of collective leadership. He was active in many aspects of domestic affairs and led the Soviet delegation to the Polish and Czechoslovakian party congresses.

In June, however, Khrushchev's position appeared to suffer slightly. Contrary to previous practice, he apparently did not give a report on agriculture to the Central Committee meeting and was not publicly associated with its decisions.

TOP SECRET

TOP SECRET

Khrushchev's position again improved markedly in September of 1954, however. He led the well-publicized Soviet "government" delegation to China and signed the important Sino-Soviet agreement concluded at that time. On his way back from China, Khrushchev made an extensive inspection trip through the Soviet Far East and followed this with a trip through Tadzhikistan and Uzbekistan. These journeys gave Khrushchev a valuable opportunity to make contacts in many areas of the USSR and cast him in the role of principal Party spokesman for many local Party and government officials.

Khrushchev's personal publicity increased during this period in connection with these trips and his other activities as Party First Secretary. He was included in lists of Lenin's co-workers and "leading central committee workers sent directly to war work" which pointedly excluded Malenkov, and his name appeared increasingly in the Soviet press.

During the late fall Khrushchev's public activity increased. He acted as principal regime spokesman in an increasing number of fields and, on 7 December he made a speech to a conference of construction workers which foreshadowed the increased emphasis officially accorded the importance of heavy industry later in the month. In a speech to a gathering of Komsomol members, Khrushchev, contrary to previous practice, stressed his close personal relationship with Stalin, and on 10 January 1955, Khrushchev's name was linked with Lenin's when he signed a Central Committee decree changing the date and character of the celebration of Lenin's memory.

A striking sign of Khrushchev's importance came out of the Central Committee meeting commencing on 25 January. His report to the plenum on increasing livestock production heavily stressed the importance of heavy industry and equated the position of those "woe-begone theoreticians" who had underestimated its importance with that of Bukharin and Rykov, politburo members who were first demoted and then shot in 1938 for "rightist deviations." This speech, which occupied six pages of Pravda on 3 February, the opening day of the Supreme Soviet session, set the tone for the modification of the "New Course" effected at that session and made Khrushchev the principal spokesman for that important shift. The awareness of the Supreme Soviet delegates as to Khrushchev's leading position was evidenced by the fact that over half of the speakers mentioned his name in their reports, while none of them cited Malenkov.

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Since the February 1955 changes, Khrushchev's predominant position within the Soviet leadership has been confirmed. He has followed a very aggressive course in implementation of his agricultural policies, and has participated in the international conferences undertaken by the Soviet leadership. Of particular interest here was his explicit designation as head of the Soviet governmental delegation to Belgrade.

While indications of Khrushchev's personal power position immediately after Malenkov's demotion were somewhat inconclusive, the situation had clarified by mid-July 1955, at which time the US Chargé in Moscow reported that he was "particularly struck...by the deference which members of the leadership, including Bulganin, showed to Khrushchev, particularly when the conversation was on real substance."

In his various public contacts, especially since Stalin's fall, Khrushchev has revealed himself as an aggressive, energetic, dynamic and demagogic personality. At receptions and dinners, he has seemed blunt, uncompromising and generally tactless, although since Malenkov's fall he has been on "better behavior" than he was earlier. Khrushchev has been described as possessing inordinate ambition and confidence, not in the personal sense but rather in the sense of an executive director completely identified with his vast and complex enterprise.

CHANGES IN SOVIET ECONOMIC POLICY IN 1953--THE NEW COURSE

A large volume of evidence from [redacted] published Soviet documents shows conclusively that a significant change in the USSR's economic policy occurred during 1953 and 1954 while Malenkov was Premier. In brief, these changes consisted of a real though marginal increase in the proportion of economic resources devoted to raising agricultural production and expanding output of industrial consumer goods, and a leveling off (possibly an actual decrease) of military expenditures. At the same time, the regime planned to maintain a rapid rate of heavy industrial growth.

In late 1953, Soviet internal and foreign propaganda belabored this new emphasis on welfare of the population very heavily, shifting in 1954 to emphasis on agricultural production. Malenkov's August 1953 speech before the Supreme Soviet gave the first comprehensive survey of the program under which the output of agriculture and consumer goods was to be rapidly expanded "in the next two or three years." Voluminous public decrees were issued in September and October 1953 to implement the individual sections of the program. Other documents issued by the regime, the published versions of the Soviet annual budgets for 1953 and 1954, reveal the planned leveling or possible decrease of military expenditures, and the continuation of rapid industrial growth.

Four major types of evidence show that during the last half of 1953 and most of 1954 the Soviet Union seriously intended to implement the changes in policy called for by its propaganda.

(1) The decrees issued in September and October 1953 to implement the agricultural and consumer goods programs contained a vast quantity of statistical details concerning planned output of individual items and specific measures to be undertaken. Publication of this mass of information would have been unnecessary if the regime had not intended to carry out its promises to the population of a better life and greater material incentives.

(2) During 1953 and 1954, Soviet economic journals published numerous scholarly articles attempting to provide theoretical justification for the planned sharp rises in agricultural and consumer goods output, which would inevitably result in a lowering of the proportion (though not necessarily

the absolute level) of economic resources devoted to the defense industry sector of the economy. These articles, by such economists as Ostrovityanov, Vekua, and Mstislavski, were definitely not intended as propaganda to mislead the West or even the Soviet population, because of their highly technical, theoretical nature. They were apparently efforts to buttress with politico-economic theory actual policies already introduced by the government.

(3) The impressions gained by US Embassy personnel in the Soviet Union, and reports received from [redacted] and from prisoners of war released by the USSR in 1953 and 1954, almost uniformly show that the government was attempting to implement the consumer goods and agricultural programs. In many cases achievement was lagging behind planned goals, but serious efforts were being made.

(4) [redacted]

Thus, the USSR not only increased planned goals for consumer goods production in 1953 and 1954, but also ordered a much higher priority for the allocation of materials necessary to achieve these goals. Before Stalin's death, messages of the type described above were received very infrequently. Before 1953, the USSR regularly announced plans for annual increases in consumer goods output, but the requisite priorities to implement the task fully were never granted.

While the changes of Soviet economic policy in mid-1953 were not of large magnitude in terms of economic aggregates, and while they caused only marginal changes in the proportion of total resources devoted to defense, heavy industry, and consumption, the direction of change was very important. The change apparently reflected a desire by the then dominant faction of the regime to devote increased efforts toward expanding the nation's basic economic and strategic potential and indicated a serious concern regarding basic economic weaknesses such as low food production and lagging productivity, which, in the future, might hinder growth of the USSR's

strategic power. In 1953 and 1954, the leadership seemed to feel that these goals were more important than continuing to increase the already high production of military end items and expand the size of its armed forces.

Malenkov's Identification with the Consumer Goods Program. The emergence in the Soviet press in January 1954 of theoretical polemics concerning the "incorrect" view that light industry should, in contemporary conditions, enjoy preferential development relative to heavy industry, engendered wide speculation concerning a "policy split" between top Soviet leaders. In this view, Malenkov was identified as the proponent of the "light industry" program, and the "defeat" of this program was held to be an indication that he had lost out. This argument was based on the fact that Malenkov originally set forth the program in August 1953; that his own political fortunes appeared to coincide with the ups and downs of the program in Soviet propaganda; that Malenkov, the "realist," was more inclined to appreciate the importance of incentives, whereas Khrushchev had made open statements which tended to qualify the consumer goods approach, and which were later in more or less open contradiction with the earlier formulations. This point of view was given apparent confirmation by the "resignation" of Malenkov in February 1955, by the revised Soviet propaganda line emphasizing the heavy industrial development, and by the changes in the 1955 budget.

Other serious students of Soviet affairs have questioned this identification. They have argued that no reliable source has ever made such an identification, that it had never been implied by Soviet press material, and that all Soviet leaders, on appropriate occasions, made appropriate statements reaffirming support of the consumer goods program. These analysts argue further that there is no reason not to believe that the program reflected a "collective" decision, and that it is therefore hazardous to assume that Malenkov advocated the program any more than any other leader. Finally, in this view, the discussions in the Soviet press in January 1954 were directed against "misinterpretations" of the Party line by certain obscure and little known economists, and therefore should not be taken as indications of policy controversy.

There are a number of peculiar circumstances in regard to the consumer goods program. It was propounded by Malenkov before the Supreme Soviet in August 1953. This in itself was an unprecedented action, in that the Supreme Soviet had never previously been the forum for announcement of an important policy change. Furthermore, despite the fact that some

preparatory work had already been done on the program, as evidenced by the incorporation of it in the 1953 budget presented on 3 August,

It seems fairly clear that the consumer goods program was not presented to the Central Committee as was the agricultural program. There is no indication whatever that the July Plenum of the Central Committee, which considered the Beria matter, discussed or passed resolutions on consumer goods production.

Even more interesting are indications that the September Plenum, which considered agricultural problems, also did not concern itself with the over-all program. Khrushchev's speech at this Plenum only briefly noted the existence of this program. Later in his speech, Khrushchev noted, in connection with the incentive concessions granted to the peasantry at the August Supreme Soviet session, that the Government "and the Presidium of the Party Central Committee have considered it necessary..."

In September 1953, after the Central Committee session, several implementing decrees were issued, over the joint signatures of the Central Committee and the Council of Ministers, setting forth and elaborating details of the 7 September Central Committee resolution on agriculture, which was in the nature of a broad policy directive. Each of these implementing decrees, as is customary, cited the

* Some distinctions need to be drawn on this point. "Concern" for the Soviet consumer became evident in the Soviet press and as early as April 1953, and by June 1953 it was evident that a concerted program of expansion of consumer goods production was under way. This program, however, did not involve any basic changes in the economy: expanded production was to be achieved by increase in efficiency and by a concerted drive to reduce and reutilize scrap and waste, and was to be carried out principally by local and co-operative enterprises and associations. The program outlined by Malenkov on 8 August went far beyond these initial efforts.

authority of the 7 September Central Committee resolution. Yet there is no indication of the existence of a similar Central Committee decree on manufactured consumer goods. Several joint Government and Central Committee decrees of an implementing nature were issued in October on manufactured consumer goods and light and food industries, but in contrast to the agricultural decrees, no citation or suggestion of a broad policy-authorization decree was evident. Furthermore, in none of the speeches given on the consumer goods program was there reference to or suggestion of a basic Central Committee decree on the subject.

These indications suggest that the over-all consumer goods program was conceived and decided upon solely within the small top group of Party leaders, and that it was never presented to the broader Central Committee Plenum, even for ratification.

This point has been developed at some length, since the criticisms of Malenkov, as reported by some sources, include the charge that he placed reliance on the state apparatus rather than upon the Party and Party channels; one source went so far as to charge that Malenkov attempted to set the state apparatus in opposition to the Party apparatus. Khrushchev, on the other hand, has been said to have made the Central Committee his base of support, by appealing to it and presenting his proposals to it. The history of the development of the New Course, and in particular of the agricultural programs, tends to support this analysis.

It is quite true that the Soviet press has never explicitly identified Malenkov or anyone else as the originator or inspirer of this or that particular policy or economic program. The nearest thing to such an attribution may be found in Khrushchev's interview with Professor Bernal in September 1954, published by the Soviet press in December, and in Khrushchev's January 1955 speech to the Komsomol, in which he claimed responsibility for a tax law of the Stalin period. In the Bernal interview, Khrushchev merely failed to deny Bernal's suggestion that he, Khrushchev, was personally responsible for the New Lands program.

Both Mikoyan and Kosygin, in their speeches in October 1953, made laudatory reference only to Malenkov in connection with the over-all consumer goods program. Equally, both referred to Khrushchev, but only in connection with agriculture. The alternatives were to cite "the Party and Government" or the "wise collective" of leaders, and for this reason the attributions to Malenkov and Khrushchev are thought to have some significance.

The publicity in the Soviet press at the time of Malenkov's ouster carefully avoided any suggestion that Malenkov had favored or advocated the light industry argument. It has already been noted that his letter of resignation avoided the problem and concentrated on his alleged errors in agriculture and administration. Since the light industry point of view had been proscribed during the previous month as "right deviationism," close to if not actually synonymous with treason, it is clear that a serious effort was made to avoid identifying Malenkov with it.

Soviet and Communist sources have been less reticent in their private contacts, however. The 31 January Central Committee Resolution on Malenkov explicitly stated that he had favored the preferential development of light industry and specifically branded that as a "rightist deviation." This evidence is of particular importance, since the document was intended for the information of high Soviet government and party officials, many of whom were undoubtedly at least partially aware of the true facts. Khrushchev, in his interview with Subandrio, identified Malenkov with the "erroneous" policy,* and London Daily Worker correspondent Ralph Parker reported a similar statement by a Communist source. Yuri Zhukov, [redacted] explicitly affirmed that policy differences lay at the root of Malenkov's upset.

Another indication of Malenkov's responsibility for the consumer goods approach is the fact that he alone of the really important leaders described the program in a glowing and enthusiastic manner. Other less important leaders who used similar language were Mikoyan, Pervukhin, Saburov and Kosygin. These leaders, in their speeches, spoke of the problem in terms of great urgency and tremendous importance. None of the other top leaders, in their references to the program, exhibited this same "enthusiasm" for it. Khrushchev, in particular, concentrated on his own agricultural schemes as of principal and foremost importance.

The role of the manufactured consumer goods program in connection with Malenkov's emphasis on "material self-interest" is important. Soviet sources have discussed this at sufficient

* Nagy in Hungary was openly branded a "right deviationist" at the very beginning of his downfall in March.

length to permit the conclusion that the two programs were integrally related. This point is stated more explicitly by economist Vekua,* who, in his article in Problems of Economics in September 1954, said:

> "Under socialism it is impossible to develop production without a corresponding growth in the material well-being of the workers.... Without a constant growth in the material and cultural level of the life of the workers it would be impossible to ensure the reproduction of skilled manpower, and consequently, the mastery of advanced technology. In the absence of such growth, an increase in the creative initiative of the workers, and an increase in labor productivity...would be unthinkable."

and:

> "Increasing the material self-interest of workers in the results of their labor is possible only under conditions of maximum development of Soviet trade. In the absence of development of Soviet trade, economic stimulus by means of differentiation in the pay scale...cannot yield its proper effect."
>
> "...In proportion as the titanic program currently planned by the Party and Government for increasing the production of consumer goods is implemented, and as Soviet trade is developed and the resulting further rapid increase in the purchasing power of the ruble is effected, the material self-interest of socialist production workers in the results of their labor will increase still further."

It is a noteworthy fact that, in the polemical literature of December 1954 and January 1955 supporting preferential development of heavy industry, little or no reference is made to "material self-interest" as an important principle of Party policy.

While the evidence is thus sufficient to warrant the conclusion that Malenkov probably was principally responsible for the initiation of the consumer goods approach, it is still

* Vekua was severely castigated in articles in Party Life and Pravda in January 1955 for his theoretical "errors."

clearly unreasonable to suppose that he was alone in its advocacy, or that he brought the program into existence over any strong and unanimous objections of his colleagues. As has been made only too clear by subsequent events, Malenkov himself never had the political strength singlehandedly to push through such a basic revision in the direction of the Soviet economy. Nor did Malenkov alone have the strength, after his decline in late 1953 and in 1954 (relative to Khrushchev), to maintain the consumer goods program through

It therefore seems evident that Malenkov was supported by at least a majority within the Presidium, although there apparently were doubts and reservations on the part of some of the members.

It thus may very well have been the case that Malenkov's program (like Khrushchev's later) was adopted on something of a trial basis by the other leaders and that opinion swung against Malenkov's "platform" as it was overtaken and superseded by the New Lands program and as difficulties and priority conflicts emerged over the course of time. This view is supported by Khrushchev's remark to Subandrio to the effect that "we now know" that the only way to increase supply of consumer goods is by continued forced heavy industrial development.

THE AGRICULTURAL CONTROVERSY

It is generally agreed that the state of Soviet agriculture and different approaches to the solution of this problem were key issues in the Malenkov ouster. One analysis notes that "only in the case of agriculture did Malenkov and his chief contender, Khrushchev, openly adopt positions which were contradictory, and these were on issues extending back to Stalin's lifetime."

It will be recalled that agriculture was the only specific economic problem area discussed in Malenkov's letter of resignation. And, as noted above, agriculture is the only area in which overtly contradictory indications appeared. It is an interesting fact, therefore, that agricultural problems have figured either not at all or only marginally in the several "private" discussions of the Malenkov demotion by Communist or Soviet sources.

The principal events of the period, as related to agriculture, are listed here for convenience:

a. The inauguration of the so-called "New Course" by the August 1953 Supreme Soviet session, and Malenkov's major policy speech at that session. Major concessions in procurements, prices, and taxation were granted to the peasantry, especially as regarded livestock raising and fruit and vegetable growing;

b. The speech of N. S. Khrushchev at the September 1953 Plenary Session of the Central Committee, and the Party decrees and Government decrees following;

c. The revelation in January and February 1954 of the so-called "New Lands" program at a series of agricultural conferences in Moscow, and the evident primary role of Khrushchev, who spoke at each of these conferences;

d. The Plenary Session of the Central Committee held in February and March 1954, at which Khrushchev delivered a major report, and at which a reversal of emphasis from the August-September 1953 policy was formalized. Major emphasis shifted to grain production, and the New Lands program was formalized.

e. The Plenary Session of June 1954, at which Khrushchev apparently did not speak, and at which concessions in procurements and pricing were granted to the production of grain, similar to those granted in August-September 1953 to animal husbandry and to fruit and vegetable growing;

f. A Central Committee decree of August 1954 extending the goals of the New Lands program by a substantial amount;

g. The Plenary Session of the Central Committee of January 1955, at which emphasis was restored to heavy industrial production, and at which the "corn and fodder" program was formalized. Khrushchev spoke at this Central Committee Plenum. The "corn" program again signalized a shift in agriculture: substantial areas in the traditional agricultural areas of the USSR were to shift from traditional crops to corn, represented as a cheap and easy way of increasing the fodder base of the livestock economy. It was at this Central Committee session, presumably, that the demotion of Malenkov was arranged.

Before discussing the apparent respective positions of Malenkov and Khrushchev on agriculture, it is worthwhile first to dispose of several subsidiary indications of differences between the two leaders.

The first of these was the remark by Malenkov concerning the "agrogorod" policy of 1951 in his speech at the 19th Party Congress in October 1952. In this speech, Malenkov stated:

> "First of all, it should be noted that certain of our leading officials have indulged in a wrong approach, a consumer's approach, to problems of collective farm development, particularly in connection with carrying out the amalgamation of small collective farms. They proposed forcing the pace of mass integration of villages into large collective farm settlements, suggesting that all the old collective farm buildings and collective farmers' homes be pulled down and large 'collective farm settlements,' 'collective farm towns' or 'agrocities' be built on new sites, and viewed this as the most important task....The Party took timely measures to overcome these mistaken tendencies in the sphere of collective farm development....

> "It must be further noted that the practice of setting up auxiliary enterprises for making bricks, tile and other manufactured goods has become widespread on many collective and state farms....This situation must be rectified...."

These references unmistakably refer to Khrushchev, the sole top-level sponsor and spokesman for the "agrogorod" concept and also for the subsidiary detail of local construction by collective and state farms. It is interesting to note that in his September 1953 speech, Khrushchev reverted to this idea of local construction, and again recommended it.

The above statements are of course clearer in retrospect than they were at the time. The allegation in the January 1955 decree on Malenkov is worth recalling in this connection, viz., that Malenkov "permitted" Beria's "rural program" to be carried out. This cryptic and obscure statement, taken in connection with the above quotations and with the subsequent evolution of Soviet agricultural policy, strongly suggests that Malenkov and Beria collaborated in opposing Khrushchev in 1951.*

The second subsidiary indication of Khrushchev-Malenkov differences on agriculture is the fact that not once in his speech of September 1953 did Khrushchev make reference to Malenkov, who less than one month earlier had expounded the "new course" in domestic economic policy, including agricultural policy. Later, Khrushchev became increasingly identified with agricultural policy, expounding the "New Lands" program in January and February 1954. Curiously enough, Malenkov in turn made no reference to this latter program in his election speech in March 1954.

One final point to dispose of before setting forth the respective positions of Malenkov and Khrushchev is the matter of Khrushchev's assertion of predominance in agricultural policy in September 1953 and subsequently. He was, as already noted, rapporteur at the September 1953 Plenum of the Central Committee. In his speech of February 1954, however, Khrushchev revealed that, following the September Plenum, numerous Party Bureaux of the Republics and Oblasts were required to submit reports on agriculture to the Central Committee, and they were called to

* See Project CAESAR Chapter 8, pp 7-11, for discussion of the "Agrogorod" problem and Chapter 10, pp. 2, 4, 11 for discussion of the agricultural references in the Beria case.

Moscow to discuss their reports with "the Central Committee."* According to Khrushchev, "we disclosed shortcomings and arrived at broad conclusions, but did not adopt decisions; we agreed to call a plenary session of the given Party committee to take up the questions which had arisen. A representative of the Central Committee attended the plenary sessions and pointed out...shortcomings...."

Khrushchev was, after this, the rapporteur at the February-March 1954 Plenum and the January 1955 Plenum of the Central Committee. He spoke at each of the agricultural conferences held in January and February 1954, as already noted. He spoke on other occasions also, principally on agriculture. In September 1954, in his interview with Bernal, Khrushchev did not deny Bernal's statement that he, Khrushchev, was personally "largely responsible" for the "New Lands" program.

While Malenkov and Khrushchev agreed that drastic advances in agriculture were central to success of one whole "new course" in consumer goods production, certain fairly fundamental differences are evident in their respective approaches to agriculture.

The first and major difference is Malenkov's apparent greater realization of the importance of incentives, as opposed to Khrushchev's more "orthodox" Bolshevik reliance on bureaucratic and organizational measures. This supposition is based principally, although not completely, on analysis of the published speeches of the two leaders; the conclusion derives in part from the impressions of the two men carried away by diplomats and others who have observed the Soviet leaders.

Malenkov, as is known, publicly inaugurated the "consumer goods" course in his 8 August 1953 speech. In his remarks on agriculture in this speech, Malenkov almost completely confined himself to discussion of the agricultural tax reform; decrease in obligatory procurements and increases in state purchase prices; and the encouragement of personal garden plots and of personally owned livestock.

* These discussions must have been held with the Agricultural Department of the Central Committee apparatus, with the Secretariat, and/or with the Party Presidium. Khrushchev alluded only to the "Central Committee," implying one or both of the first two bodies mentioned above. These groups would have been largely under Khrushchev's personal control.

In Malenkov's view, "the Government and the Party Central Committee" found it necessary "first and foremost...to raise the economic interest of collective farms and collective farmers" in developing the lagging branches of agriculture. (underline added.)

Khrushchev, in his speech a month later, noted that increasing the "material self-interest" of the peasantry was "of great importance," but added important qualifications:

> "However, these measures must be properly evaluated. Their importance and necessity at the present time is obvious, but they do not determine the main path for developing collective farming."

According to Khrushchev, "hundreds and thousands of advanced collective farms" were successfully meeting the old delivery norms at the old delivery prices and were nevertheless showing a profit. Thus, "this means that the matter rests not solely on the raising of procurement and purchasing prices but principally on the level of economic development /of a given collective farm./" (underline added.)

To Khrushchev, the principal problem in agriculture was, and is, the problem of managementand managerial personnel.

> "In order to convert /our/ potentialities into reality...each collective farm must be strengthened in the organizational and managerial aspect and, above all, intelligent organizers... must be put in administrative posts on each collective farm."

Further:

> "The State has provided everything necessary to handle work well on every state farm, but farming results differ completely, depending on the quality of leadership."

And:

> "One has only to place and utilize people correctly; the apparatus in province, territory and republic centers must be reduced... and good officials must be transferred to strengthen the district sector, the collective and state farms and machine tractor stations."

The second major difference between Malenkov and Khrushchev concerned the matter of grain production. This is integrally related to the third problem area, the "New Lands" program, which is principally directed at increasing grain output.

At the 19th Party Congress, Malenkov said:

> "The grain problem, formerly considered the most acute and serious problem, has been solved, solved definitely and finally."

In his 8 August 1953 speech, Malenkov stated flatly:

> "Our country is fully supplied with grain."

Khrushchev, in contrast, said a month later:

> "We are in general satisfying the country's need for grain crops, in the sense that our country is well supplied with bread...."
>
> "We must ensure further and more rapid growth in grain yields... this is necessary not only to satisfy the population's growing demand for bread but also for rapid advances in all branches of agriculture."

In his February 1954 speech, Khrushchev repeated the sense of the above excerpts, but then proceeded to remark only four paragraphs later:

> "It should be noted that the level of grain production so far has not met all the requirements of the national economy.... It cannot be overlooked that until recently some of our personnel did not wage a sufficient struggle to increase grain production. The gross grain crop is inadequate."*

Interestingly, the incentive measures adopted in August 1953 to increase potato and vegetable growing and livestock production--i.e., decrease in obligatory procurements and increase in purchase prices--were not recommended for grain production at that time, or for that matter either in the

* In his interview with Bernal in September 1954, Khrushchev explicitly denied that he had in any way contradicted Malenkov, but rather that he, Khrushchev, discussed over-all grain requirements, whereas Malenkov had talked only of bread grain requirements.

September 1953 or February 1954 Plenums which Khrushchev seemed to dominate. They were however, adopted at the June 1954 Plenum of the Central Committee, the only Central Committee session concerned with agriculture whereat Khrushchev was not the rapporteur.

A final area of difference very probably existed with respect to the entire "New Lands" program. Malenkov viewed the agricultural problem chiefly, if not completely, as the problem of inducing the backward and inefficient collective and state farms to achieve the production levels of the advanced collectives. He apparently did not envisage any great program of expansion of cultivation into marginal or remote areas. At the 19th Party Congress, a time when Malenkov was still the top Politburo man responsible for agriculture, he said:

> "Now that the prewar level of sown acreage has been reached and surpassed, the only correct course in increasing farm output is to increase yields comprehensively. Raising yields is the principal task in farming. In order to meet this task it is necessary to raise the quality of field work and reduce the length of time for it, to improve utilization of tractors and farm machinery, to complete the mechanization of the basic operations in farming, to ensure the quickest possible development of crop rotation and the sowing of perennial grasses on collective and state farms, to improve seed selection, to make proper soil cultivation universal, to increase use of fertilizers and enlarge the irrigated area. It is necessary to heighten the organizing role of the machine and tractor stations in the collective farms, raising the responsibility of these stations for fulfillment of the plan for yields and gross harvests and for development of animal husbandry."

Further, on 10 June 1953, after Stalin's death and shortly before Beria's purge, an authoritative article in Pravda on the Communist Party had this to say of agriculture:

> "The Soviet State constantly augments capital investments in agriculture. Much work has been undertaken for the mechanization of agricultural production, for increasing the fertility of the soil..., and there are also other great measures

for advancing agricultural production, especially in the central, densely populated areas of the country where capital investment may give the greatest economic results in the shortest possible period of time." (Underline added.)

In his 8 August 1953 speech, Malenkov recommended measures toward the above ends, although, as earlier noted, he did not dwell at any length on this aspect of the agricultural problem.

Khrushchev's September 1953 program was on the above lines, although it elaborated every point to a considerable extent. Khrushchev did mention expansion of sown areas, however, and the Central Committee resolution of 7 September incorporated a brief statement on expansion of sown areas.

In January and February 1954, however, it became evident from the speeches at a number of agricultural conferences in the Kremlin that expansion of sown acreage was being undertaken on a massive scale. This program was then presented by Khrushchev to the Central Committee at its plenary session in late February, and was approved.

The expansion target approved by the Central Committee was 13 million hectares. This apparently was an increase from the target revealed in earlier speeches.*

It was stated that the proposed increase of sown area was merely the beginning of such a program. Khrushchev said that "during the next two years we must prepare to continue developing new and more difficult tracts in the East...." In actual fact, the goals were again raised, to 30 million hectares, by a Central Committee decree in August 1954.

The new lands program was justified on the grounds that an urgent and rapid increase in grain production was basic to a rapid advance in all other branches of agriculture and in the entire consumer goods program. This note of urgency runs through all of Khrushchev's discussions of the problem, and

* No specific totals are available. However, the comparison can be made by plans for the RSFSR. On 27 January 1954, Lobanov, RSFSR Agriculture Minister, stated that in 1954 and 1955 4.7 million hectares of new lands were to be tilled. On 22 February, Lobanov stated that, in 1954 and 1955, the RSFSR was to develop 6.7 million hectares. It was this latter figure that was incorporated in the Central Committee resolution.

was forcefully expressed in his interview with Bernal in September 1954. Also, the new lands expansion was claimed to be the cheapest way of bringing about a rapid increase.

Furthermore, despite Khrushchev's assertions in his speeches and in the Bernal interview that more intensive use of existing agricultural areas remained an essential point of agricultural policy, he also told Bernal that agricultural machinery produced in 1954 and 1955 would be sent chiefly to the new lands.

> "Consequently, the number of caterpillar tractors this year and next on the old cultivated lands will not be increased; to these lands will be sent inter-row tractors, cultivators and other implements to cultivate the soil, as well as spare parts for existing tractors."

An essential point both of Malenkov's recommendations and of Khrushchev's program was the dispatch to the countryside, especially to the machine tractor stations, of skilled workers and mechanics from schools and from industry as well. The new lands program upped the requirements for such personnel, as well as for agricultural specialists and farm managers, considerably. Thus personnel for the new lands have been drawn from the traditional agricultural areas as well as from industry. While it is impossible accurately to estimate the impact of these withdrawals on both the traditional agricultural economy and on industry, it is almost certainly great.

Finally, in January and February 1955, the Central Committee formally adopted a further element of Khrushchev's program, a significant expansion of corn growing, intended to provide a fodder base for livestock expansion. The expansion of corn cultivation is to take place largely, though not completely, at the expense of area sown to grain in the traditional agricultural areas.

One interesting little thread runs through the documents concerning the new lands: a continued protestation that the programs are "realistic" and reasonable. This remark was included in the first Central Committee decree on the subject, in March 1954, whereas speeches during the political crisis in January and February 1955 made the point that the 1954 successes had proved the realism and reasonableness of the program, despite the doubts and trepidation of some of the "comrades."

In addition, there can be read into Khrushchev's two speeches in January 1955--to the Komsomol and to the Central Committee--a certain triumph over the doubters who had questioned the new lands program.

FOREIGN AND DEFENSE POLICY

One of the most debatable and obscure aspects of the Malenkov affair is the role that foreign policy problems and issues may have played in it, and the implications that differing estimates of the international situation may have had for the level of defense expenditures of the Soviet government.

For the six weeks or so preceding Malenkov's resignation, Soviet propaganda emphasized the need for heavy industrial development, justifying it by a marked increase in emphasis on building the might of the Soviet state, the requirements of national defense, and heightened international tension.

One line of analysis argues that a split in the Presidium on foreign policy matters was the central and fundamental factor in Malenkov's ouster. In this view, the leaders differed in their evaluations of the degree of seriousness of the world situation; these differences led to correspondingly different estimates of the defense requirements of the USSR; and the defense requirements in turn affected the whole range of domestic issues, but most particularly the problem of the relative priority to be accorded heavy industry.

Another line of analysis argues that foreign policy issues, while important, were nonetheless secondary to more fundamental domestic issues and the issue of power.

A third line of argument denies that foreign policy matters had much if any relation to the leadership problem. Analysts holding this viewpoint believe that Malenkov's ouster was the result of either a serious domestic issue or a pure struggle for power. These analysts argue that even the "new course" in Soviet foreign policy has been consistently applied by both Malenkov and Khrushchev, reflecting similar appraisals of the world situation, and that they have pursued foreign policy aims with a consistency and decisiveness which would argue against significant differences in policy outlook.

On the other hand, Ambassador Bohlen on a number of occasions commented on an apparent difference in outlook of Malenkov and Khrushchev on international affairs. In Bohlen's view, Malenkov was inclined to take a more sober and calm view of the international situation than did Khrushchev. In addition, the Ambassador interpreted the disparate treatment of light and heavy industry by the Soviet press in December

as a sign of division in the top Soviet leadership, and suggested that the problem of the exact course of action to be followed in the event of ratification of the Paris accords may well have brought about a dispute regarding the domestic economic policies. Bohlen suggested, after Malenkov's actual ouster, that a "latent dispute" concerning economic policies was "triggered off" by the problem of German rearmament.

An informal account also accords Soviet alarm over the world situation the role of a catalytic factor that brought serious agricultural and industrial problems to a head.* view was, however, that the Soviet Government was particularly concerned over the course of events in China, more so than over the German problem. This latter view is shared by certain Yugoslav diplomatic personnel.

One analysis, based on a detailed textual analysis of the leaders' speeches,** develops the thesis of controversy on defense policy during the year preceding Malenkov's ouster, with Malenkov and Bulganin emerging as principal spokesman for the two points of view. This controversy, according to this analysis, was generated by conflicting views on the implications for international affairs of possession of the H-Bomb by both the United States and the USSR.

The Malenkov view, according to this analysis, was apparently that the threat of mutual destruction had made war less likely and that defense spending might therefore be stabilized.

The opposing view, propounded by Bulganin, implied that even with modern weapons war was inevitable, emphasized the danger of a surprise onslaught, and insisted on continued strengthening of the armed forces.

*

** FBIS IP.23, 19 April 1955, Some Policy Issues in the Malenkov-Khrushchev Struggle.

According to this analysis, this policy controversy continued at least until November 1954, and must have been an important element in the controversy concerning relative priorities of light and heavy industry.

Divergent Statements and Outlook of Soviet Leaders on International Situation and Foreign Policy: After the death of Stalin and the purge of Beria, the Soviet leaders inaugurated a practice of frequent appearances at diplomatic or semiofficial receptions and social occasions, and in the course of these contacts have given some indication of their temperaments and sometimes their policy views.

Malenkov in his public speeches and personal contacts gave the diplomatic colony the almost unanimous impression of a realistic and calm approach to problems of foreign policy. Malenkov inaugurated the "peace" campaign immediately after Stalin's death with his remark that there were no outstanding international issues which could not be settled by peaceful negotiation. On diplomatic occasions he invariably took a peaceful line, on one occasion correcting Khrushchev, who was making belligerent statements.

All Soviet leaders have expressed this peaceful line in one way or another, however. The sole instance in which Malenkov strayed from a "united" position on foreign policy was in his "election" speech in March 1954 in which he said that a new world war would signify the "destruction of world civilization," which in turn made it imperative, according to Malenkov, to settle problems by negotiation rather than by resort to arms. Malenkov was the only top Soviet leader ever to give voice to this phrase.

Significantly, Malenkov a month later returned to the standard formulation concerning this problem; i.e., in his speech at the April 1954 Supreme Soviet session he said that a new world war would result in the destruction of capitalism, a tacit repudiation of his earlier remark.

In his speech at the Supreme Soviet in February 1955, Molotov explicitly repudiated Malenkov's formulation, asserting that a new war would not mean the end of "world civilization" but only of capitalism. Since then there has been sustained discussion of this thesis in Kommunist and other Soviet publications. In these articles, the idea of the destruction of civilization is rejected as "theoretically erroneous" and "politically harmful." Acceptance of this thesis, they argue, is a result of falling victim to the "atomic blackmail" of

the "imperialists" and reflects "weak nerves" and political shortsightedness. Malenkov is not mentioned by name in these articles, but one of them left no doubt by its remark that "some comrades" had given expression to this idea in their oral and printed speeches--Malenkov is of course the only top-level man to have made this statement in a public speech.*

Malenkov's formulation is "politically harmful," according to Pravda and Kommunist, in that it plays into the hands of the imperialists and destroys the "peace" movement throughout the world and thus engenders a fatalistic attitude in the struggle against war.

Thus Malenkov's remark may very well have been one of the "mistakes" of which he was accused both in the 31 January 1955 decree and in Khrushchev's remarks to Subandrio.

Khrushchev, from the time of Stalin's death until he became top man in the USSR, was outspoken in his hostility toward the West, demonstrated none of the subtlety shown by Malenkov, and repeated dialectical stereotypes with seeming conviction. MacDuffie, who has seen more of him than any other non-Communist Westerner, commented that he "displayed a shocking rigidity in his thinking about the West--an apparent willingness to swallow the propaganda he himself has helped create."

Khrushchev's speeches in 1954 were very strongly anti-US. One of these was a tactless address at the Malenkov reception and dinner for the visiting British Laborite delegation in August 1954. Another was his address in Peiping last October in which he supported the Chinese Communist claim to Formosa as a "legal and indivisible part of China." Khrushchev avoided, however, promising support in a military sense.

In some contrast to Malenkov, Khrushchev's speeches have conveyed the idea of two inflexible opposed camps. In private discussions between Soviet leaders and the French Ambassador, Khrushchev led the attack on the treaties to rearm Germany and stated that ratification would mean a larger defense program for the USSR. He showed little interest in diplomatic moves to exploit Western disunity.

* It is rather important to note that several important Soviet officials have privately affirmed this "heresy," well after the issue was "settled" in the Party press. It seems likely that the Soviet leadership is indeed fully aware of the destructiveness of A-weapons.

Although Khrushchev has been careful to pay lip service to the coexistence theme, this has apparently meant for him little more than an absence of armed conflict. In a speech in Prague in June 1954, he stressed Soviet possession of the atom and hydrogen bombs, as well as the necessity for maintaining and increasing Soviet armed strength. Several times he referred to the West as "the enemy" and spoke of capitalist encirclement. He also attacked Churchill by name for his known views on the Soviet Union, and especially for his idea of acting from a position of strength.

There presumably was some discussion of this speech in the Kremlin, for at a diplomatic reception on 28 July Khrushchev adopted a less truculent [redacted] Khrushchev reportedly stated on this occasion that neither the USSR nor Great Britain had designs on each other's territory, and claimed that both he and Churchill were in complete agreement on the issue of coexistence.

On 10 August, however, [redacted] he stated twice that the Soviet government, although it deeply desired peace, would make no concessions whatsoever in its foreign policy. He reportedly warned of a dire fate for any potential attacker. [redacted] he indicated that there could be trade and increased diplomatic intercourse, but no change in ideology, thereby implying no respite from political warfare. [redacted] complained to him of Communist intolerance of other political systems, Khrushchev blurted, "In this field there can be no coexistence."

Khrushchev expounded further on coexistence in an interview with the publisher Hearst on 5 February. He said he recognized the right of the United States and "of the bloc it has formed" to be strong in the interests of security. Khrushchev remarked that this "might be termed a balance of power." He complained, however, that "Churchill and Dulles by positions of strength do not mean balance of power, but that one position should be stronger than another in order to enforce its will on the other side." This, he asserted, leads to an armaments race with all its dangers and unfortunate economic consequences.

Khrushchev's various remarks and statements on foreign policy matters during the Malenkov regime are particularly interesting in that he was, at the time, out of step with the other members of the leadership.

Bulganin, who in his public speeches has tended to harp on the necessity for increasing Soviet military power and for vigilance,* nonetheless has made some startling statements in his personal contacts, statements which have gone far beyond those of other leaders.

Specifically, Bulganin has on several occasions repudiated Stalin's policies and approach to international affairs. At the 7 November 1954 reception, Bulganin told [redacted] Military Attachés that Stalin's policy had spoiled relations between the USSR and its neighbors.** Bulganin went on to say that, although a colleague of Stalin's, he had always disagreed with Stalin on the latter's policy. Bulganin then said that "we" are returning to Lenin's policy of good neighbor and friendship with Iran and Turkey, and that he was not speaking personally but was expressing the view of the Soviet government.

At the 12 December 1954 reception, Bulganin, along with Mikoyan and Malenkov, gave tacit assent [redacted] to the effect that it was postwar Soviet policy under Stalin which had brought about a feeling of insecurity and threat to the nations of Western Europe. Molotov, however, was reportedly visibly irritated by [redacted] reference to the policies pursued under Stalin.

* Bulganin's expressions on these points are understandable in that he was Defense Minister. However, in his November 1954 speech he used a phrase slightly at variance with other formulations regarding the international situation: viz., that there had been no changes in the international situation that would warrant relaxation of effort to strengthen Soviet defense. This phrase reappeared in Finance Minister Zverev's budget speech in February 1955, at the time when the defense budget was increased by 12 percent, and in Bulganin's own speech to the Supreme Soviet after he had been elected Premier.

** [redacted] Ambassador Bohlen and the US Naval Attaché reported Bulganin as saying that Stalin had spoiled relations with Turkey and Iran, and that he, Bulganin, had always disagreed with Stalin's hostile policy toward Turkey and Iran.

[redacted]

Kaganovich, like Khrushchev, apparently entertains an orthodox and doctrinaire Stalinist view of the world. At the Foreign Ministry reception on 7 November 1953, as he became drunker, he lapsed more and more into "old Bolshevik" jargon.

A better indication, however, is Kaganovich's speech at Prague in May 1955. Like Khrushchev a year earlier, also at Prague, Kaganovich apparently departed from his prepared text, adding some sentences and phrases and deleting others from a prepared text. His departures from the text appeared to reflect a particularly strong abhorrence of the Germans, and a "commitment to Communist ideology and its goals of world revolution equalled only by Khrushchev among top Soviet leaders."**

Khrushchev, Bulganin and Zhdanov: Since March 1954, a very curious change has taken place in Soviet propaganda regarding World War II. This change, which became pronounced and unmistakable in December 1954, was a deliberate effort to de-emphasize the role of the State Defense Committee, to elevate the roles of Bulganin and Khrushchev, and to associate these two leaders with the deceased Communist leaders A. A. Zhdanov and A. S. Shcherbakov.

For example, New Times for December 1954 stated:

> "The Central Committee of the Party and the Soviet Government appointed Stalin Chairman of the State Defense Committee and made him head of the armed forces of the country. N. A. Bulganin,

* [redacted]

** FBIS CD 28, 25 May 55

A. A. Zhdanov, A. S. Shcherbakov, N. S. Khrushchev and other outstanding leaders were likewise assigned by the Party to the work of directing the war effort."

The State Defense Committee, under Stalin, had previously been accorded, in propaganda, full credit for victory in the war, and individuals, other than Stalin, were singled out for credit. In July 1953, for example, the Juridical Dictionary gave this committee "exclusive credit for organization of the destruction of German fascism."

The new propaganda trend not only subtracted credit from the State Defense Committee, but in at least one instance (24 February 1954) relegated it to a secondary position.

Obviously, the composition of the State Defense Committee had something to do with its treatment in propaganda. The five original members were Stalin, Molotov, Voroshilov, Malenkov and Beria. Later, Voznesensky, Kaganovich, Mikoyan and Bulganin were added to it, and Voroshilov was removed. Clearly, the new propaganda treatment of the wartime victory was intended to subtract from Malenkov's stature (and perhaps from that of others also), and to enhance the roles of Khrushchev and Bulganin.

More interesting, however, is the effort to associate Khrushchev and Bulganin with Zhdanov and Shcherbakov. Shcherbakov, who died in 1945, and Zhdanov, who died in 1948, were the alleged "victims" of the so-called Doctors' Plot of January 1953. While Zhdanov's name had never been deleted from the roster of heroes of Communist mythology, it was nevertheless true that his name was very rarely mentioned, and the frequency of references in the recent past, therefore, is undoubtedly calculated. The presumed rivalry between Zhdanov and Malenkov is believed to have been responsible for the near absence of references to Zhdanov after 1948. It is, therefore, of interest that Khrushchev and Bulganin have seen fit to identify themselves with the Zhdanov symbolism.

In addition, there has emerged in the Soviet press and in Soviet ideological journals articles and references reflecting a "Zhdanovist" orientation. Three emphases are evident: a return to "partinnost" ("partyness")--ideological purity and discipline in Party ranks; an emphasis on "proletarian internationalism" and a resurgence of international aspects of Communism; and an inveighing against "fear and panic" in the face of "new and complicated" situations. The theme of

"partinnost" is evident in recent literary discussions, but also has been introduced into the diatribes against the proponents of "light industry," who are castigated as "opportunists" and "right deviationists."

The themes relating to Communist internationalism and exhorting against "fear and panic" are an essential component of the argument denouncing Malenkov's assertion that a new war would result in destruction of world civilization.

There is thus very little question that these recent ideological tendencies are intimately related to the Malenkov ouster.

The military budget as a political issue: Reference has already been made to one study which, on the basis of a close textual analysis of speeches, concludes that conflicting views on the implications of modern weapons in the field of international affairs was an important policy issue between the Soviet leaders.

The analysis notes that four Soviet leaders--Malenkov, Saburov, Pervukhin and Voroshilov--failed to call for an increase or strengthening of Soviet armed forces in their election speeches in 1954. It notes also that Malenkov's contention that a third world war "would mean the destruction of world civilization" seemed to imply that this prospect made war less likely. This suggestion was supported by quotations from Pospelov and Mikoyan to the effect that Soviet technological achievements were "having a sobering effect" on the enemies of the USSR. Mikoyan explicitly stated that "the danger of war has considerably lessened as we now have not only the atomic but also the hydrogen bomb."* Mikoyan noted that the United States, now vulnerable to destruction, had adopted a new policy line as a result of Soviet possession of atomic and thermonuclear weapons.

Bulganin, the analysis continues, presented a contrary line in his 10 March 1954 speech:

* FBIS notes that the passage from which this quote is taken was deleted from the version of Mikoyan's speech published in the central press.

"We cannot assume that the imperialists are spending enormous material resources and vast sums of money on armaments merely to frighten us. Nor can we count on the humaneness of the imperialists who, as life has shown, are capable of using any weapons of mass destruction."

The analysis observes that both Khrushchev and Bulganin on several occasions called for strengthening of Soviet defenses. In the meantime a new note appeared in discussions of the possibility of war: in July, in Warsaw, Bulganin pointed out that the USSR is forced to develop atomic weapons "so as not to be left without weapons in case of surprise. While this theme of the possibility of surprise attack was not developed at the time, a number of references were made to it in speeches of Voroshilov, Molotov, and Bulganin in December 1954 and in February and March 1955.

On 7 November 1954, Bulganin asserted:

"In the international situation so far no such changes have taken place as would give us grounds to lessen in any measure our attention to questions of strengthening our defense capability."

This thought was echoed by Finance Minister Zverev in his budget speech in February 1955, as justification for the 12-percent increase in military allocations. The contradiction in thought of this expression with the remark of Mikoyan above is clearly evident.

The analysis concludes that the 1955 stress on the danger of being caught "unawares" suggests that Bulganin's view of the insecurity of the Soviet position even when both sides possess thermonuclear weapons had won out over those who believed that the likelihood of war had thereby been diminished.

PERSONAL RIVALRY AND STRUGGLE FOR POWER

It is a difficult matter to separate political or policy difference from conflict over personal power and position. The difficulties can be illustrated by the well-known observation that policy differences tend to become personal issues; whereas, conversely, personal rivalry very frequently manifests itself in competing political "platforms." Available evidence on the Soviet leadership does not permit determination of such a question.

Nevertheless, while the exact role of personal rivalry as a factor leading to Malenkov's resignation cannot be determined, its presence to a considerable degree would appear to be almost certain. It would seem particularly likely however, that Malenkov, presumably well schooled in the art of accommodating himself to a changing party line, would have been able to alter his own policies to fit the demands of the other leaders, if the question had been one of policy alone.

There is considerable reason to think that antagonism and perhaps enmity existed in Malenkov's relations with Khrushchev. These relations go back at least to the early 1930's when both were members of the Party organization in Moscow. During World War II, they were directly associated in the Military Council of the Stalingrad front, and both were secretaries of the Central Committee from 1949 to 1953. Khrushchev became a candidate member of the Politburo in 1938 and a full member in 1939, while Malenkov attained these positions in 1941 and 1946, respectively, although in Stalingrad and in the Secretariat, he had had the senior post. There were no indications during this early period that Khrushchev and Malenkov were antagonistic toward one another.

Hints of friction began to appear, however, at the 19th Party Congress in October 1952. At that time, Malenkov, in his major address to the Congress, appeared to go out of his way to remind that "certain of our leading officials" had been wrong in their efforts to amalgamate small collective farms into collective farms, towns or "agrogorods." This seemingly gratuitous remark made more than a year after the policy had been abandoned must certainly have been aimed at Khrushchev, the only top official publicly associated with the policy.

Following Stalin's death, rivalry between Malenkov and Khrushchev may very well have been engendered over Malenkov's requested "release" from his key position on the party Secretariat in favor of Khrushchev. Even more damaging, however,

was Khrushchev's formal promotion six months later, in September 1953, as First Secretary of the Party--an important symbol of prestige vis-a-vis Malenkov.

During this same period Khrushchev delivered his first major post-Stalin speech, which filled in the details of the agricultural program Malenkov had outlined the month before, yet made no attribution to him.

After that time, Khrushchev mentioned Malenkov on only two occasions--in his talk with Bernal in September 1954 and in his speech to the Komsomols in January 1955. However, neither of these references reflected any desire to praise Malenkov and indeed may even be regarded as patronizing, an interpretation favored by Ambassador Bohlen.

There were other moves which suggested political jockeying. Khrushchev personally attended the Leningrad party plenum in November 1953 which removed V.M. Andrianov, long considered a Malenkov protegé, from his post as First Secretary of the Leningrad Oblast Party Committee. A year later, the execution of former State Security Chief V. S. Abakumov and five of his associates in December 1954 also suggested rivalry between Khrushchev and Malenkov. The reference to the falsification of the "Leningrad Case" in the announcement of the execution seems almost certainly to have pertained to the widespread shake-up of the Leningrad party organization in 1949 when Abakumov was security chief. At that time, Malenkov was generally credited with masterminding the removals in order to place his own henchmen in important posts in the Leningrad organization.

In addition, Malenkov's unique resignation announcement with its admission of guilt and lack of experience suggests the collaboration of a revengeful Khrushchev. This supposition is buttressed by the heavy emphasis in the document on the role of the party, and the obvious admission that the Malenkov agricultural tax reform was the work of the Central Committee. It was during this same Central Committee Plenum in January 1955 that Khrushchev denounced manifestations of right-wing deviation in connection with some of the liberal domestic policies associated with Malenkov, thus clearing the path for Malenkov to be accused eventually of doctrinal heresy.

Malenkov's youth in comparison to the "Old Bolsheviks" in the Presidium, his rapid political rise, his role in the purge of the 1930's, and his personal influence with Stalin

TOP SECRET

TOP SECRET

probably were other sources of antagonism or resentment. Finally, enmity can also be detected in Khrushchev's outspoken conversation with the Indonesian Ambassador in which he said that Malenkov had attempted to run the government through bureaucrats rather than through Party representatives.

TOP SECRET

MALENKOV'S ALLEGED DEFICIENCIES IN MANAGERIAL ABILITIES

One problem which must be discussed, inasmuch as it has been raised by various Soviet versions of Malenkov's demotion, is the question of Malenkov's alleged inexperience and ineptitude in directing the affairs of state of the USSR.

It was noted earlier that in 1946, Malenkov reportedly came under fire for ineptitude and lack of foresight in his wartime direction of the Soviet aircraft industry. Furthermore, the program for dismantling of industry in occupied areas which was under Malenkov's direction, was badly mismanaged and many losses, both industrial and political, were incurred as a result of this program.*

Alleged deficiencies in executive abilities figured large in Malenkov's letter of resignation. The 31 January resolution on Malenkov mentioned them; Khrushchev specifically cited this point in his interview with Subandrio; and officials of the Soviet Ministry of Electric Power Stations openly alleged such deficiencies in discussions with [redacted] visiting in the USSR.

[redacted] has discussed this question at length, and avers that the frequent reorganizations and an intensive "Malenkov program" to reduce substantially the number of personnel in the state apparatus introduced chaos and confusion in Soviet administration. According to [redacted] the resulting frictions, uncertainties and sagging morale caused a serious and growing resentment against Malenkov.

There is, unfortunately, very little that can be affirmed regarding this question. One observation, however, is that other leaders, particularly Khrushchev, are at least as responsible as Malenkov for the RIF program and for the transfer of government bureaucratic personnel to agriculture and industry. The New Lands program, in particular, has undoubtedly required a far greater number of persons to be drawn from the government apparatus than any specific program of Malenkov. Despite the true facts of responsibility for the reductions and transfers, however, it cannot be denied that in the minds of the personnel affected, Malenkov could very well have been blamed for the situation.

In the one area in which sufficient evidence is available, the facts appear to support the allegations against Malenkov. On the subject of returning Dalstroi to the MVD

* See CAESAR Chapter V for discussion of this problem.

in early 1954, when the MVD began to regain some of the economic organizations it lost after Stalin's death, the negotiations and controversies extended over a number of months. The matter seemed decided several times, first in favor of one party and then in favor of the other, but after each decision the question was reopened.

At the very least, the history of this organization during 1954 is evidence of confusion and lack of decisiveness in top government circles and of a strong and effective interplay of rival interests. It is certainly plausible to assume that the handling of the Dalstroi matter was characteristic of the handling of other problems in the government.

DEVELOPMENTS AFTER MALENKOV

The Soviet Leadership Since Malenkov

The removal of Malenkov from the Soviet premiership plainly marked a realignment of power within the Soviet party presidium, but there has been as yet no indication that the search for a durable substitute for the monolithic personal leadership of Stalin terminated with that event. There is no doubt that Party Secretary Khrushchev has been the chief beneficiary of Malenkov's decline and that he is now the single most powerful Soviet leader although he still does not appear to have a monopoly of power. While the narrowing of the circle, first with the elimination of Beria and then with the political emasculation of Malenkov, has weakened the foundations of group rule, a conscious effort is apparently still being made to preserve the principle of collective leadership.

There have been a number of personnel changes in the Soviet party and governmental hierarchy since Malenkov's resignation in February. Some of these have resulted in the replacement or demotion of officials closely connected with Malenkov in the past and the appointment of Khrushchev protegés. This is, of course, a classic Soviet device for building power and if the changes continue, Khrushchev's personal position may gradually become unshakable. Some of the changes appear to have been dictated largely by a search for competent management, and the present picture might be distorted if they were to be interpreted uniformly in terms of factional alignments and power struggle. The changes so far effected do not in any case amount to a wholesale shake-up, and it would seem that, if Khrushchev aspires to supreme personal power, he has either preferred or been forced to move with caution. Khrushchev's influence on personnel changes has been most apparent within those areas for which he has shown special concern, and in which his personal prestige is most directly engaged. A shake-up of the agricultural ministries, announced on 2 March 1955, brought the dismissal of A. I. Kozlov as USSR Minister of State Farms and the appointment to his post of I. A. Benediktov, till then Minister of Agriculture. Kozlov had a long record of association with Malenkov and had been personally criticized by Khrushchev on more than one occasion during the past year. However, Benediktov would probably have been equally liable to complete removal had the political factor been the only one at work. He has been reassigned to what is probably a less important post, it is true, but the transfer, while it appears to reflect Khrushchev's lack of confidence in him, does not have the earmarks of a political vendetta.

The appointment on 28 February of four new Deputy Chairmen of the USSR Council of Ministers has brought into leading positions in the governmental structure, over the heads of former superiors, men who are presumably in sympathy with Khrushchev's methods and policies. There is no evidence of personal links between Khrushchev and two of the four new deputy chairmen A. P. Zavenyagin and M. V. Khrunichev,* but there is fairly good reason to suppose that P. P. Lobanov and V. A. Kucherenko owe their appointments to Khrushchev. Lobanov played a prominent part, alongside Khrushchev, at the zonal agricultural program with which he is so closely identified. Kucherenko, who has been named chairman of the State Committee on Construction Affairs, served under Khrushchev in the Ukraine and was singled out by the latter for praise at the construction conference held in Moscow in December 1954. Khrushchev has displayed a keen interest in construction affairs and is largely responsible for the great stress which has been given to ferro-concrete construction.

The recall of L. G. Melnikov from the Soviet embassy in Rumania to head the newly-created Ministry of Construction of the Coal Industry, announced on 8 April, can probably be traced to Khrushchev, who was Melnikov's predecessor as First Secretary of the Ukrainian Party. Melnikov had been purged from the Ukraine by Beria in June 1953. He was partially rehabilitated after Beria's purge by receiving the Rumanian ambassadorship. The personal factor may also have played an important part in the removal of G. P. Aleksandrov as Minister of Culture on 21 March, for there are indications of a close link between Malenkov and Aleksandrov. However, Aleksandrov's successor at the Ministry of Culture, N. A. Mikhailov, was once commonly regarded as a Malenkov protegé also.

Within the party there have been very few announced changes since February. P. K. Ponomarenko was released as First Secretary of the Kazakh party on 7 May to succeed Mikhailov as Soviet Ambassador to Poland, but the significance of this change is not yet clear. Khrushchev's hand can, however, be clearly seen in the removal of D. N. Melnik, who was criticized by Khrushchev at the January party plenum, from the post of Secretary of the Primorye Krai party. It is also noteworthy

* Zavenyagin's and Khrunichev's careers since Stalin's death suggest that they were unacceptable to Malenkov, which may explain their elevation by Khrushchev and Bulganin.

that N. N. Shatalin, who is thought to have had close ties with Malenkov, was apparently removed from his powerful position as secretary of the Central Committee and appointed First Secretary of this far-distant Primorye Krai. Shatalin had been concerned as Secretary with party personnel appointments and probably also with party supervision of the police apparatus, and his removal from the Secretariat almost certainly means a tightening of Khrushchev's grip on the party.

The appointment of K. F. Lunev as Deputy Chairman of the Committee of State Security (KGB), though it pre-dates Malenkov's resignation, is possibly another sign that Khrushchev has gradually increased his control of the vital instruments of power, in this case, the police apparatus. Lunev, whose present post was revealed by the Soviet press on 20 January, was identified as a first deputy minister of the MVD in December 1953 when he sat on the special court which condemned Beria. He had previously served under Khrushchev as an official of the Moscow Oblast, and it has been thought that Khrushchev was largely responsible for his position in the post-Beria security apparatus.

It seems, also, that the army has not been overlooked. While it has yet to be shown that the military have begun to exercise a significant political influence, it is, nonetheless, likely that their good-will is something especially to be sought and held at a time when crucial decisions must be made and power is still in flux. It is possible, then, that Khrushchev had a direct and personal part in the recent promotion to marshal's rank of a number of prominent Soviet generals, at least two of whom, Grechko and Moskalenko, have served with him in the past.

Khrushchev's salient role in the Belgrade parleys, in which Premier Bulganin was thoroughly overshadowed, is the clearest public sign yet that he is the ranking member of the Presidium. However, he has not been given a blatantly artificial publicity build-up. Although he usually has the place of honor among his presidium colleagues at public ceremonies, Premier Bulganin's picture was placed before his in some of the May Day portrait displays. This is a trifling sign, perhaps, but not a meaningless one among the protocol-careful Soviet leaders. His numerous speeches before party, agricultural and industrial promotional conferences have been duly but not fulsomely reported by the Soviet press.

Allusions to collective leadership, among them Bulganin's assurance to the Hearst party that the "principle of collective leadership with us is unshakeable," still appear regularly in the press, and alphabetical listing of presidium members, the literal symbol of collectivity, has been continued. Perhaps the most interesting reference to collectivity to appear recently is found in an article by the Old Bolshevik, G. Petrovsky, published in Pravda on 20 April. "Lenin," Petrovsky wrote, "taught us collectivity in our work, often reminding us that all members of the Politburo are equal, and the secretary is elected to fulfill the decisions of the Central Committee of the party." This standard has been publicly ignored only occasionally. Both A. I. Kirichenko, First Secretary of the Party in Khrushchev's old bailiwick, the Ukraine, and Marshal Konev, for example, paid special deference to Khrushchev in their speeches. Interestingly enough, however, Pravda's version of Konev's speech revised the passage in the broadcast version in which an attempt seems to have been made to set Khrushchev apart from and above his colleagues. In addition, Soviet diplomatic officials have on a number of occasions affirmed that collectivity has not been destroyed by Malenkov's ouster.

Since Malenkov's demotion Khrushchev seems to have obtained a freer hand in guiding policy, although not to the point of independence from the other leaders, and to have become more firmly entrenched in the party apparatus. There is some reason to suppose, also, that he has managed to strengthen his ties within the police apparatus and the armed forces, and may be able to count on greater support from that direction than before. However, there are almost certainly many men left in important positions who are indebted to Malenkov, and there is no sign that a full open season has been declared on them. The search for effective leadership of the current agricultural and industrial program is the most plausible explanation of some of the personnel changes which have taken place recently and probably has had some influence even in those cases where the political motive is most clear. While Khrushchev has become the spearhead of both domestic and foreign policy, he does not appear to have the power to make unilateral decisions either in respect to policy or to personnel appointments. His authority is probably shared with, and to some extent depends on, other members of the presidium, among whom Bulganin, Kaganovich and Mikoyan appear to be the most influential.

Bulganin's role is difficult to define. He does not have Khrushchev's authority, but he is probably a force in Soviet policy-making and an important factor in the intricate balance of personal relationships which presumably exists within the Presidium. He has a reputation for executive ability and, as Chairman of the Council of Ministers, presumably exercises a direct and positive influence on the operations of the Soviet government.

The three Old Bolsheviks, Kaganovich, Mikoyan and Molotov, are men of long experience in particular areas of Soviet policy. It seems probable that neither Kaganovich nor Mikoyan aspires to the formal trappings of power, because of their racial origin. However, for this same reason, they may now be a pivotal force within the "collective," the force which can tip the scales in either direction in important deliberations. Furthermore, it is to their advantage to keep the collective leadership alive. Kaganovich appears to be closest to Khrushchev personally and policy-wise; he is the one who in a speech in May 1954 gave pre-eminence to Khrushchev over Malenkov. Kaganovich's behind-the-scenes influence is probably considerable, particularly in questions relating to industrial development.

Molotov's prestige appears to have suffered from the partial rapprochement with Tito, and it is possible that confidence in his judgment on other questions of foreign relations has been impaired. It seems fairly certain, in any case, that Molotov does not have a paramount voice in setting the broad lines of Soviet foreign policy. Both the larger decisions and those affecting relations with Communist states appear to be, instead, subject to collective discussion and agreement within the Presidium. Against this background, Molotov's resignation from the Foreign Ministry, which has been rumored since the Belgrade conference, is not inconceivable, but would shed little light on the balance of power within the Presidium.

Mikoyan, whose resignation as Minister of Trade was announced on the eve of Malenkov's demotion, accompanied Khrushchev and Bulganin to Belgrade, presumably to conduct the trade negotiations. Since February he has been promoted from Deputy to First Deputy Chairman of the Council of Ministers and apparently continues to act as the overlord of Soviet domestic and foreign trade. Mikoyan, who was probably aligned with Malenkov in favoring increased production of consumer goods, does not seem to have been seriously injured by repudiation of that policy. It has been suggested

TOP SECRET

TOP SECRET

that his promotion, like that of Pervukhin and Saburov, who were appointed First Deputy Chairmen of the Council of Ministers simultaneously, was a political reward for abandonment of Malenkov. However, this interpretation, which seems to presuppose that the victory of one of two clearly-defined factions was the prelude to Malenkov's demotion, may oversimplify the pattern of current relationships within the Presidium and the manner in which power has shifted there. Some of the Presidium members may have favored the present line earlier and more emphatically than others, but Malenkov's defeat seems to have been the consequence of a gradual shift of opinion which coalesced around Khrushchev, rather than of a sudden showdown between unequal factions. If this is the case, the promotion of Mikoyan, Pervukhin and Saburov may have been intended, not as payment of a political debt nor as a peace-offering to a defeated faction, but as a sign that the Presidium's ranks had not been sharply divided and also, perhaps, as a demonstration of the extent of Malenkov's disgrace.

Malenkov's present status resists clear-cut definition. It is uncertain whether his immediate and complete elimination from the top ranks of the regime was considered impossible or merely undesirable. It may have been ruled out on the grounds that it would have disturbed a precarious political balance or because it would have presented an undesirable picture of division and instability, thus undermining Soviet prestige at home and abroad. Malenkov is still formally a member of the USSR's topmost ruling body and, as such, continues to take his place beside other Presidium members at public functions. He is, however, the only member of the Party Presidium who sits on the Council of Ministers without the rank of First Deputy Chairman. It is possible that there is still a considerable body of opinion which favors his point of view, but it seems more likely that his present influence is negligible. The process of isolating and discrediting him seems, however, to have been halted for the moment. While culmination of the process may be scheduled for a more opportune time, it is equally possible that Soviet leaders are as uncertain about his future as the outside world. His position probably will be clarified at the 20th Party Congress, presently scheduled for February 1956.

The Soviet leadership has passed through its second major readjustment since Stalin's death. Collective leadership appears to continue to be a fact and not a fiction, but its base has been narrowed, as a predominance of power has tended to pass more and more into the hands of four or five top leaders.

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Collection of declassified CIA Cold War documents
Compiled by Lydia Skalozub

Post-Malenkov trends in Soviet foreign policy:

Soviet leaders have continued since Malenkov's demotion to show the high degree of flexibility in the conduct of foreign policy characteristic of the entire post-Stalin period, and have re-emphasized the possibility of negotiating international issues.

Three main themes, addressed alike to friends, enemies and neutrals, have formed the framework within which post-Malenkov foreign policy is being executed:

1. The strength and unity of the Sino-Soviet bloc.

2. The Soviet government's willingness to negotiate on all international issues.

3. The advantages which accrue to "in-between" nations with neutral foreign policies.

The first theme, peculiar to the post-Malenkov period, was introduced by:

1. Molotov's declaration on 8 February that Communist China occupies a position of equality with the USSR at the head of the Socialist camp.

2. Bulganin's speech on 9 February giving greater Soviet support to Peiping on the Formosa issue.

3. Attempts by top Soviet leaders to underscore the strength of the "Socialist camp" in comparison with the United States.

In Molotov's foreign policy speech of 8 February, he asserted five times that the "correlation of forces" between the two rival social systems "has definitely changed to the advantage of Socialism." He claimed, for the first time, that the USSR had nuclear superiority. Bulganin's 9 February speech likewise emphasized the theme of invincible Soviet power and noted that production of Soviet heavy industry "at present is almost three and one half times greater than in prewar 1940."

At the same time, Soviet leaders provided a counterbalance to this militant tone by stressing "peaceful coexistence" in speeches and interviews.

The bellicose and chauvinistic tone of the early February Supreme Soviet speeches may, in addition, have been intended to prepare the bloc for unpalatable decisions in domestic economic policy and to reassure them of the Communist world's ability to deal with any threats arising from the agreements to rearm West Germany.

It is apparent that by the time the Supreme Soviet convened on 3 February, the Soviet leaders had concluded that there was little chance of averting ratification of the Paris accords and that the time had come to launch a new line of action calculated to regain the initiative and to disrupt implementation of Western defense agreements.

The first Soviet move to regain the initiative was the reopening of the long deadlocked Austrian question. From the reference to Austria in Molotov's 8 February speech to the signing three months later of the Austrian state treaty on 14 May, Moscow moved rapidly, showing unprecedented flexibility and willingness to compromise. Meanwhile, the USSR began putting into effect some of its threatened harsh countermeasures against West German rearmament. On 21 March, the USSR announced that the eight Soviet bloc powers had reached agreement on a treaty of friendship, collaboration and mutual aid and the organization of a unified bloc military command. On 9 April, the Soviet government requested the Presidium of the Supreme Soviet to abrogate Soviet wartime treaties with the United Kingdom and France.

Moscow apparently chose the Austrian settlement as the most impressive gesture it could make at the least cost, for the purpose of convincing the outside world that it was sincerely desirous of working out a settlement of the outstanding issues between itself and the West. The apparent explanation for the USSR's rapidity of action on Austria is that it continued to view the political defeat of West German rearmament as a primary objective of Soviet foreign policy.

It is evident, however, that West German rearmament as such was not the sole target of this phase of Soviet diplomacy. On 10 May, the USSR accepted a large part of the Anglo-French disarmament proposals, in an omnibus "peace" and disarmament proposal to the UN General Assembly which it made in a meeting of the stalemated UN disarmament subcommittee. On 26 May, the top Soviet leaders made an unprecedented journey to Belgrade where Khrushchev called publicly for a rapprochement between the Yugoslav and Soviet Communist parties and apologized for Soviet actions which lead to the 1948 break.

On 7 June, the USSR invited Adenauer to visit Moscow to discuss establishment of normal relations, including trade, between the two countries. This rapid-fire series of moves seemed to be aimed at undermining Western European support for NATO by persuading the Western Europeans that the Soviet military threat has faded.

In contrast to Moscow's hasty diplomacy in Europe, Soviet foreign policy in Asia has continued to be more cautious, with an emphasis on actions directed toward firmer support of Communist China's foreign policy objectives.

Khrushchev took great pains to stress the USSR's solidarity with China in all fields. Bulganin, in his Supreme Soviet speech, likewise implied a greater measure of support for Peiping. The USSR's primary objective, both in private exchanges and in propaganda on the Formosa issue during this period, has been to establish itself in the eyes of the world as the champion of a negotiated settlement and place the United States in the position of refusing to settle international issues and relax tension.

Moscow's most immediate diplomatic target in the Far East has been Japan, and approaches for establishment of normal relations were made by the Malenkov government. During the post-Malenkov period, the USSR continued this slow courting of Japan, but moved steadily toward bilateral negotiations which began in London on 1 June.

Moscow's long-established policy of encouraging India in its independent foreign policy and in its aspirations to play a mediatory role between the two power blocs was continued. Greater emphasis has been placed on India, with laudatory statements on Nehru's government (which contributed to a serious local election defeat for the Indian Communist Party), an invitation for Nehru to visit the USSR which he did in early June, and the acceptance by Bulganin of an invitation to visit India at a later date.

The Communist bloc continued a large-scale effort to encourage cultural and technical exchanges with private groups and officials in the south Asian area, particularly India, Indonesia and Burma. Concurrent with this activity, it has made a series of offers to contribute technical assistance to economic and scientific projects, and to increase trade with the area. This effective combination of propaganda, trade

promotion and offers of economic aid was first given increased emphasis by the USSR in 1954, and is an attempt to persuade the underdeveloped south Asian countries of the advantages of neutrality in the cold war.

Moscow maintained its more passive role in the Near East. It temporarily increased its propaganda attacks on Western-sponsored defense arrangements to take advantage of new disputes between Turkey and the Arab states over the Turkish-Iraqi pact and between Afghanistan and Pakistan. There were a few signs that the USSR might be initiating more active trade promotion and economic aid efforts similar to those in south Asia.

In summary, the major trends in Soviet foreign policy during the post-Malenkov period included:

(1) The beginning of a new course of action, characterized by the use of conciliatory deeds, and designed to regain the advantage in Europe which was lost when the Paris accords were drafted.

(2) The continuation of the long-term policy of conciliation toward the Sino-Soviet bloc's neighbors initiated soon after Stalin's death.

Economic Policy after Malenkov:

The continuous growth of heavy industry, at as rapid a pace as possible, has been the chief peacetime aim of Soviet economic policy since the end of the Civil War in 1920. At any particular time, policy is defined by the relative emphasis given to each of the factors responsible for industrial growth. Policy changes and controversies over policy therefore necessarily concern the distribution of emphasis among these factors and considerations of short-term versus long-term prospects are frequently involved.

The change in economic policy in 1953 was essentially the raising to higher priority of two factors in industrial growth. First, greatly increased attention was thenceforth to be paid to worker attitudes as a factor in economic growth. The opportunities here were especially great because of the long neglect of mass incentives under Stalin. Second, it was recognized that the stagnation of agriculture had to be broken in order to raise incentives by providing more and better consumer goods, and even merely to avoid a drop in per capita consumption as a result of the population growth, particularly urban. These measures were not, however, intended to decrease the resources going to heavy industry, although they did involve a leveling off of defense expenditures. Rather, they were apparently to be implemented with resources made available by the general growth of the economy.

The measures taken in 1953 and 1954 to solve these problems have already been described. This section analyzes the policy innovations of 1955 in order to determine the economic reasons behind them and whether, taken together, they add up to a second change in basic policy or to a readjustment--in the light of two years' experience--in an essentially unchanged policy.

The budget presented by the Bulganin government in February 1955 differed from its predecessor in several respects. Defense allocations, which had actually fallen in 1954, were increased by 12 percent to equal the all-time high of 1952. Expenditures for investments fell slightly below the 1954 target, in contrast to the substantial gains of previous years. While other sectors of the economy received about the same treatment as in 1954--agriculture in particular retained the high priority rating established in 1953--within industry a change in the pattern of allocations was made, with heavy industry apparently obtaining substantial increases while light industry suffered a slight reduction.

The budget announcement was accompanied by the launching in January of an ambitious and risky program to expand the acreage under corn eightfold by 1960. Three months later, a campaign was begun to send 30,000 urban workers, politically reliable and administratively skilled, to replace the chairmen of nearly one third of the collective farms.

Another series of measures was directed at the average citizen, both as consumer and producer. The general cut in retail prices was omitted, for the first time since 1948. The compulsory State Loan, which had been halved in 1953 and kept at the same level in 1954, was raised again to take three to four weeks' pay from each worker, as it had under Stalin. Lastly, the formation of a new State Committee on Wages foreshadowed a general revision of wage rates, and [redacted] tends to confirm the presumption that this re-examination would involve a raising of production norms, which determine the output a worker must deliver to receive a given amount of pay.

The boost in military expenditures may have represented a revised estimate of the USSR's international position, but it is at least in part the result of another development: the coming to fruition of developmental programs initiated earlier for complex modern weapons. As the time arrives for delivery of these advanced and high-cost end items, e. g., the new planes in the airshows, the procurement portion of the military budget must increase in order to pay for them.

The investment question is complicated in 1955 because the Soviet data indicate that, while investment expenditures are planned to increase only slightly (4-6 percent), the volume of investment this year is to increase two to three times faster than this.* A recorded volume this much greater than new expenditures can perhaps be achieved, chiefly through concentration on the completion of existing projects, but gains of this type are of a one-time nature and cannot be maintained indefinitely. The restriction of expenditures

* Soviet data on expenditures represent new money spent, while data on volume represents the value of investment which has been accepted as completed. One major difference between the two is capital equipment; the value of a machine tool, for example, is included in expenditure statistics as soon as it is bought but in volume statistics only after it has been installed in a factory.

probably is due to the heavier financial requirements of defense procurement. A present drive to complete existing projects, evident in public speeches [redacted] will have beneficial effects on expenditures but will leave the economy with fewer projects from which to derive production increases in later years.

In the industrial sector, budget allocations to heavy industry rose by 21 billion rubles, a 27-percent increase, while those to light industry fell by 2 billion, a 16-percent decrease over 1954. While it is believed that a large part of the increase in heavy industry was made by a change in budgetary accounting practice to include in this item expenditures on another activity, probably atomic energy, it is true that, even after allowance is made for this, the allocations to heavy industry show an absolute gain while those to light industry were reduced.

This divergence, coupled with official assertions that heavy industry must grow faster than light, is regarded by some analysts as evidence of a policy change in early 1955 which increased the emphasis on heavy industry at the expense of light industry. This is interpreted as representing a change in economic policy which stresses the output of capital goods as the principal means to growth to the neglect of mass incentives and which regards the relative effort devoted to the two in 1953-1954 as an improper combination.

This view would be more valid if the Soviet leadership, in determining its new policy in 1953, had planned for light industry to grow rapidly in 1954 and to compound this growth, although perhaps more slowly, in 1955. In fact this was not the plan laid down in 1953. The investment goal for light industry originally set for 1954 was 90 percent above the 1953 rate and over twice the 1952 rate, but the original 1955 target was only slightly higher (13 percent) than 1954. Thus the phasing of the plan called for a radically increased effort in the first year and a moderate expansion of this achievement in the second.

As it turned out, the 1954 effort was only partially successful: investment in light industry increased an estimated 50 percent instead of the planned 90 percent. The real problem faced in drawing up the 1955 budget for light industry was therefore to decide whether to try to make up the 1954 investment failure and then perhaps go on to the level of the 1955 plan. It was decided not to make the attempt.

The apparent reason for this is that the consumer goods program had, by the end of 1954, come up against certain hard facts in agriculture, on which the consumer approach largely depended. Promising as the new agricultural program might still seem to its authors, it had produced no startling results in its first year's test. Total agricultural output rose by only three percent, livestock numbers grew only slowly, and the targets for food output were consequently missed by varying amounts. It was to this set of circumstances that the Minister of the Food Industry was referring when he said in February that his industry would produce in 1955 1.6 times more food products than in 1950; in the 1953 policy change, the 1955 target was 1.85 times the 1950 level. The 1954-1955 investment plan for light industry, as laid down in 1953, was predicated in large part on much higher outputs of foods and fibers; until these materialized in fact, the original investment rate was uncalled for and even, in a heavily committed economy, wasteful.

The same set of facts--the disappointments of the 1954 record in agriculture--were responsible for other innovations in 1955. The adoption of the corn expansion plan, for example, is a response to previous livestock failures. It is an innovation which is quite in character with 1954's New Lands program, and in fact presumes that the success of that program will justify the expansion of fodder corn in the old lands. In the field of fiscal policy, agricultural failure clearly is responsible for the State Loan increase and the skipping of the price cuts. The income and price benefits extended to the population in 1953 and 1954 had already created inflationary pressures. Further concessions would be not only irresponsible but, in the end, illusory and self-defeating. What was required instead was an adjustment in purchasing power to correspond to the availability of goods, and these two moves were the easiest way to achieve it. On the other hand, [redacted] demonstrated that, in the allocation of completed production, both the private consumer and the agricultural sector retained the high priorities they had been assigned in the policy changes of 1953. The retention of this priority throughout and beyond the period of public discussion of "heavy versus light industry" indicates that, whatever the real issues in this controversy, consumption remained a major concern of the leadership.

In one area, the pattern of innovations was not completely clear. The revisions of 1953 staked much on the enlistment of worker enthusiasm as a means to growth. To this end, purchasing power was increased through higher prices to peasants, large cuts in retail prices, reduction in the State

Loan and agricultural tax, and other measures. For reasons already examined, it was impossible to augment these benefits in 1955. While none of them were retracted,* other measures were adopted which tended in the opposite direction. The appointment of 30,000 urban workers as collective farm chairmen seems likely to be unpopular in the villages, and it is probable that the overhaul of the wage structure and the raising of output norms will result in increased pressures on urban workers. It is difficult to say whether these measures were regarded as necessary precisely because further concessions were for the moment impossible or whether they represented a disillusionment over the general effectiveness of concessions to promote further growth (they had not, it could be argued, produced much in the way of concrete results). Even if the latter explanation were correct, the policy change involved was marginal in view of the continuation of priority efforts in agriculture and housing, the major problems in the campaign to raise incentives through improved living standards.

In sum, while it is too early to make final judgments, the innovations in economic policy in the first half of 1955 appear to represent adjustments in the New Course rather than an abandonment of the commitments which defined that policy. Present policy seems to give roughly the same importance as before to the various factors contributing to long-run industrial growth. But the readjustments required by two years' experience were themselves of sufficient import to require corresponding adjustments in public opinion.

There can be little question that Malenkov's address of August 1953 and the spate of decrees on agriculture, light industry, and trade which followed it had aroused popular expectations of improved living standards to their highest pitch since the end of the war. Welfare promises have always been a staple of Soviet propaganda, however, and when the 1954 crop results were in, it became evident that the assurances made in 1953 of "abundance within the next two or three years" were a major blunder. Adjustments in purchasing power were begun in the February 1955 budget session, but even before this, the media of mass communication had begun to effect readjustments which would prepare the Soviet citizen for the

* In at least one instance, the granting of special incentives for corn production, worker benefits were extended. Interestingly, however, the increased incentive was in kind rather than in cash, thus avoiding further fiscal difficulties.

DISCUSSION AND CONCLUSIONS

It is evident from the preceding topical discussions that no one of the separate factors discussed can definitely be excluded as a contributory cause in Malenkov's downfall. It appears that, in greater or lesser degree, each factor may justifiably be believed to have played some role. Conversely, no one factor appears weighty enough to be considered as a dominant causal element, in and of itself.

It seems probable that Malenkov was indeed demoted by the "collective leadership," rather than merely falling victim to Khrushchev alone. It is only too clear in retrospect that Malenkov never had the personal position or power to implement his own programs singlehandedly. In other words, the "new course" as a whole, and Malenkov as a man, must have enjoyed the support of a majority of the Party Presidium in the beginning. Also, it should be noted that the policies identified with both Malenkov and Khrushchev were implemented side by side for a prolonged period of time.

Khrushchev, on the other hand, despite his obvious strength, likewise does not appear, even after Malenkov's demotion, to be so strong as to dominate affairs over combined opposition from the other leaders. He apparently enjoys their effective support, at least for the time being. For example, in pursuing his ambitious and grandiose agricultural projects, Khrushchev has made numerous journeys of several days duration away from Moscow. This is not the behavior of a person who is faced by sharp and combined opposition from the other leaders, or of a person whose presence is necessary to maintain his dominance. Thus it must be that Khrushchev has powerful and effective support in Moscow or that political controversy there is no longer at a white heat.

Accepting this basic proposition, that group or collegial leadership has been effective throughout the Malenkov period and after, a reconstruction of the Malenkov period would be as follows:

Following the resolution of the Beria crisis in June 1953, a crisis which apparently had preoccupied the Soviet leadership since Stalin's death, Malenkov proposed and secured general acquiescence on a program involving alleviation of pressures on the populace, marked expansion of consumer goods production, and reform in agriculture. Despite Malenkov's presentation of this program to the Supreme Soviet, it represented a "collective" decision, probably with a majority of the Presidium supporting it.

It seems quite probable that Malenkov supported consumer goods requirements and that this was the grounds for the statement in the Central Committee resolution that he was willing to sacrifice the tempo of heavy industrial development in favor of light industry.

It appears however to have been generally agreed among the Soviet leaders that the entire consumer-oriented program rested largely on significant advances in various sectors of agricultural production. From this, Khrushchev could well have argued that further large increases in investment in light industry would endanger other plans and, until agricultural output responded to his new programs, would be premature.

In addition to these conflicting demands on the Soviet economy, it is clear that there was at least a divergence within the Soviet leadership over the closely interrelated problems of foreign affairs and defense; the lines of divergence and their importance in the demotion of Malenkov and elevation of Khrushchev are difficult to define, and subsequent Soviet actions have made them more so. Clearly, the inclusion in the 1955 defense budget of funds cut out in 1953 and 1954 signifies that defense requirements were one important factor in the whole complex of changes in early 1955; furthermore, the entire political crisis took place in an atmosphere colored by propaganda warnings to strengthen Soviet military might.

Malenkov possibly entertained the idea of a stretch-out in Soviet military procurements and a slow-down in the inauguration of production of new weapons (over and above a defined program involving the regularization of military manpower practices, extensive reorganization of the armed forces and intensive weeding out of the officer corps).

The other leaders apparently did not agree with any stretch-out in procurements. To the contrary, there are indications that in mid-1954 serious efforts were begun to strengthen Soviet defensive capabilities, at least in the field of air defense. These indications, conjoint with the increases in the overt defense budget in 1955, argue that, in some manner, important military questions intruded into the conflict already existing between Malenkov and Khrushchev.

The flexible and realistic foreign policy of accommodation has been pursued with greater intensity and purpose than before Malenkov's downfall. It seems likely that such differences as may have existed regarding foreign affairs were really differences in Khrushchev's and Malenkov's respective estimates of the international situation, particularly the implications of West German rearmament, the integration of Western Europe and the threat of armed conflict in the Far East. While not affecting the main lines of Soviet diplomacy, such differing estimates clearly were important in the field of defense planning and probably were motivating factors in domestic economic planning. The only manifest difference among the Soviet leaders was on the question of the effects of nuclear warfare. This difference is of little value, however, in evaluating respective positions because there is good reason to think that all the Soviet leaders recognize that a nuclear war would bring serious destruction to both sides, even though the post-Malenkov line has implied a decision that it was and would be a fundamental error to admit this.

Of the actual problems or circumstances that precipitated the political upset, almost nothing can be said. It is quite possible that the actual crisis was precipitated by the necessity, toward the end of 1954, to prepare the annual plan for 1955, since at this time all of the conflicting requirements, priorities and programs would have to be hammered out. A second possibility is that Malenkov became convinced that a line must be drawn as Khrushchev propounded his second major agricultural policy revision--that is, the "corn" program adopted by the Central Committee in January 1955. Malenkov could well have resisted this new program as involving risks of even greater magnitude than the New Lands program. Thirdly, Khrushchev and his faction, harboring their basic resentments and misgivings of Malenkov, may have taken the offensive by attacking both his broad consumer-oriented incentives approach and his ideological outlook. Fourthly, the success of the Paris conference of October 1954 in finding substitute agreements for EDC was such a serious setback to Soviet policy that it may have triggered the final moves against Malenkov. These possibilities are not exclusive; all four could very well be true.

The various considerations above apparently became persuasive with the other top leaders, to the extent that a majority against Malenkov, spearheaded by Khrushchev, emerged in the Presidium and top Party circles. From this point on, whether Malenkov was jockeyed out of the Premiership or whether he was adamant in his espousal of his defeated program is completely conjectural.

Thus it appears that Malenkov's differences with the other Soviet leaders, whether resulting from temperamental or personality make-up or from his independent rational analysis of the situation, swept across a broad range of issues which, at many points, touched on fundamental aspects of the Soviet order.

CAESAR 12

20 September 1955

Copy No.

RECENT DEVELOPMENTS IN POLITICAL STATUS OF SOVIET ARMED FORCES

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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TOP SECRET

SOVIET STAFF STUDY

This study is a working paper prepared by the Soviet Staff, OCI, to assist Soviet Staff analysts in developing a common appreciation of some of the background factors affecting current intelligence trends in the Soviet field. This particular study is the twelfth in a series prepared under the general title "Project Caesar" to ensure the systematic examination of all available information on the leading members of the Soviet hierarchy, their political associations, and the policies with which they have been identified.

TOP SECRET

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CAESAR 12 CUTOFF DATE: 20 Sept 1955

RECENT DEVELOPMENTS IN POLITICAL STATUS OF SOVIET ARMED FORCES

TABLE OF CONTENTS: PAGE

(Continued)

TOP SECRET

TABLE OF CONTENTS (Contd)

CAESAR 12

RECENT DEVELOPMENTS IN POLITICAL STATUS OF SOVIET ARMED FORCES

PREFACE: Context and Purpose of Paper:

An examination of the political status of the Soviet armed forces during the period October 1952 to December 1953, published in the ninth of the Caesar series under the title, "Politics and the Soviet Army," led to the following conclusions:

-- that the military has in the past revealed a relatively passive attitude toward internal crises with a tendency toward fragmentation and inaction.

-- that military freedom of action is restricted in a number of ways: by interlocking networks of political and security officers operating within the ranks; by a tendency toward conformity among officers and men alike; by a growing officer caste system; and by the presence in the officer corps of a high percentage of Communists subject to party discipline.

-- that in the post-Stalin period, the traditionally passive position of the military in politics shifted to a more active role, with the armed forces participating in the removal and sentencing of Beria.

-- that by the end of 1953, the political position of the Soviet military leaders appeared better than it had for several years previously, and an uneasy alliance was probably maintained between top professional officers and Party leaders.

Caesar 9 also pointed out that despite evidence suggesting greater freedom for the military leaders to run their own establishment without interference, and evidence suggesting greater importance of

the military leadership in the formulation of the Soviet governmental policy, there was practically no evidence of any formal change in the relationship of the military forces to other branches of the Soviet government. It was postulated that some cliques or groups of high-ranking officers had profited more than others by the changes in the regime and hence were more loyal to certain of the new political leaders, but very little evidence could be adduced to identify those military leaders who directly supported or were supported by one or another political faction.

It is the purpose of this paper to summarize all available information which would update the examination of the role of the Soviet military in politics and place in perspective the position of the military within the context of Soviet leadership. Questions concerning the control of the army, possible groupings within the military leadership, and the probable influence of the military on Soviet policy will be considered.

I. Apparent Gains of Military Under Malenkov Premiership:

Certain gains which were to result in the greatly increased prestige of the military began to appear as early as July 1953. This may have been partly due to the support of the military in the Beria affair,[1] but may also have been due to the general conciliatory policy of the Malenkov regime. These gains took various forms; a certain relaxation of security within the armed forces; the introduction of a new military personnel policy; the granting of honors; a limited increase in the number of officers in government and party positions; the rehabilitation of disgraced officers; and the unfreezing of promotions and reassignments.

1/ has thrown some light on the army's role. He reported that on the evening of 26 June he had seen tanks, reportedly from the Kantemirovskaya Division, cruising around the Mayakovskii Square and along the Sadovoye Koltso. The next morning he learned from conversations that Beria, upon being called to a meeting of the Party Presidium on 26 June, had been placed under arrest. Source also reported this information, apparently second-hand: that Beria, allegedly planning a coup for 27 June, won the support of Col Gen Artemiev, the commander of the Moscow Military District and commander of the Moscow Garrison. Artemiev was allegedly instructed by Beria to order all his troops out of the city on maneuvers, leaving Beria's MVD troops in control. To counteract Beria's move, Bulganin moved the Kantemirovskaya Division into Moscow as well as some of Marshal Timoshenkov's troops from the Belorussian Military District.

A. Security Relaxation Among Military:

The earliest concession, apparent as early as August 1953, was the relaxation of security regulations among the Soviet troops in occupied countries. In contrast to their former prisonlike existence, troops (both officer and enlisted) were now permitted to fraternize with the local population, to purchase liquor, and to marry local nationals. In addition, officers of the rank of lieutenant and above were permitted to wear civilian clothes off duty and to bring their wives and children, of both preschool and school age, to the occupied countries. Schools with Soviet teachers were set up for officers' children. (Previously only high-ranking officers had been authorized to bring their wives, accompanied only by children of preschool age). Many of the privileges granted the enlisted men were to be later rescinded in certain areas because of the resulting misbehavior and crimes. It is not known who was responsible for this decision to relax security for the sake of morale. Although the Chief Political Directorate has the prime responsibility for troop morale, such a decision seems to go back to Zhukov, who, as a professional, would be fully aware of the effect of morale on fighting efficiency. A hint of Zhukov's personal role in this program is found in his interest in the defection of Valery Lysenko, the dependent son of an officer stationed in Berlin. By taking the unprecedented move of writing personally to President Eisenhower about the affair, Zhukov appeared to be interested not only in the boy but also in the effect of a successful defection on the entire program.

B. Introduction of New Military Personnel Policy:

The new military personnel policy apparently introduced about July 1953 aimed primarily at correcting the abuses prevalent under Stalin by stabilizing and standardizing induction methods, service, and demobilization measures. There had been gross violations of the 1939 Universal Military Service Law, which provided that army privates and junior officers (NCO's), after serving a two- and three-year term

respectively, could be held in service only in case of need and for no more than a 2-month period. An infantry officer [redacted] in commenting on the abuses, reported that many men (non-re-enlistees) served four to six years. The new policy standardized the term for army and air force conscripts at three years, and the publication since September 1953 of the Defense Ministry's annual mobilization order, ordering the release of all persons who had served the term established by law, seemed designed to prevent the recurrence of abuses.

Other aspects of the new policy included greater privileges for re-enlistees and a program to develop the leadership abilities of NCO's. According to a knowledgeable source, an attempt is underway to build up the leadership qualities of NCO's, who are now to be assigned as platoon leaders. The better educated conscripts are to be sent to military schools for three years instead of into military service; upon graduation, most of them will be placed in a junior officer (NCO) reserve. This report has been substantiated by the stress on leadership of sergeants which has recently appeared in troop propaganda; and contrary to the general pattern of not mentioning a commander's name in broadcasts, the names of sergeants showing exemplary leadership qualities are now being mentioned.

The responsibility for the adoption of this policy may lie with the military leaders, who probably recognized its relation to troop morale; however, it is conceivable that the political leadership, with its stress on legality in all spheres of Soviet life, encouraged the adoption of such a program.

Military personnel policies achieved stabilization by about mid-1954, and since that date there have been no major shifts, although specific military requirements have evidently affected the length of service of certain critical specialties.[1]

C. Glorification of Military Forces:

A tendency to glorify the military forces has become increasingly evident during the entire post-Stalin period. This flattery was undoubtedly intended to give the armed forces a sense of close identification with the regime and its political goals. This was revealed by Voroshilov, who, while handing out awards on one occasion during 1953, stated, "The awarding to you of orders and medals is graphic testimony of the love and concern with which our people, party and government surround their armed forces, and a manifestation of profound confidence in your staunchness and steadfastness." Although efforts were made by the Malenkov regime to appease other groups by the granting of awards, their honors were in no way as spectacular as those heaped upon the military. As a contrast to the Stalin period of slighting the military, this rising prestige took on added significance.

During the Malenkov period, 156 officers were singled out for honors, including 43 Orders of Lenin and 11 Orders of the Red Banner; in addition, on at least three occasions, awards have been made to unnamed "generals, admirals, and officers" of the armed forces.

1/ [redacted] reports that an edict was issued on 12 July 1954 extending for one year the term of service for antiaircraft and early-warning personnel in the Soviet army. Another report states that radar and communications reserves of the signal corps were being recalled to active duty late in 1954 and that civilian communications specialists were also being drafted into service.

Busts of nine army officers who had twice won the title of Hero of the Soviet Union, including one of Marshal Zhukov, were unveiled during the Malenkov reign. Approximately 40 army officers are entitled to this honor, according to Soviet press. This was in marked contrast to the postwar period in which only a few of Stalin's known favorites, such as Marshal Konev and General Chuikov, were so honored. In addition, 14 memorials were erected to Soviet/Russian Military heroes.[1]

1/ To honor traditional military heroes, a gigantic equestrian statue of Field Marshal Suvorov and a 100-foot statue of Admiral Nakhimov with telescope were unveiled; and, apparently as a special honor to the Ukrainians, a statue to Schors, the Bolshevist military hero from the Ukraine, was also dedicated. A total of 11 memorials, honoring the exploits of Russian and Soviet military heroes, nine of which were in the Orbit, were dedicated with Soviet and local dignitaries in attendance. These monuments were usually of immense size. In Norway and Egypt two monuments were erected by the USSR Ministry of Defense to honor Soviet/Russian fallen heroes. Incidentally, this number included a statue erected in honor of the 1939 defeat of the Japanese at Khalkhin-Gol, the battle in which Zhukov first won glory.

Minor military anniversaries received more than customary publicity. The Soviet navy honored every possible anniversary, the majority of which had previously been unheralded.[1] Elements of the navy made much-publicized state visits to Finland, England, Turkey, and Sweden, as well as to certain Orbit countries.

In addition, graduations from military academies received unaccustomed publicity, and book exhibits and artillery exhibits showing the glorious history of the Soviet armed forces appeared.

A further manifestation of rising prestige was the fact that the uniform was made the special prerogative of the army. An order of August 1954 put civilians back into mufti. Army and air officers made their appearances in new uniforms of operatic splendor.

1/ These celebrations included, among others, the 100th anniversary of the defense of Sevastopol against the British and French in the Crimean war; the 240th anniversary of the Russian naval victory over Sweden near Gangut Island; the 100th anniversary of the defense of Petropavlovsk against Anglo-French forces; the 50th anniversary of the sinking of the Russian cruiser, "Varyag"; the 250th anniversary of the Kronstadt fortress; the 50th anniversary of the Russian naval commander Admiral Makarov; the anniversary of the victory over the Turks at Sinope.

D. Military Representation in Government/Party Positions:

In the elections to the Supreme Soviet in March 1954, a deputy from nearly every important military position was elected.[1] Of a total of 1,347 deputies elected in 1954, 70 were military officers as compared to 59 officers out of a total of 1,316 deputies elected in 1950. This is in contrast to a drop of approximately 60 percent in MVD representation.

That the electing of more military men to government positions, like the giving of awards, was meant to identify the military with the aims of the regime was indicated by a Pravda statement that "the elections to the Supreme Soviet have demonstrated with new force the boundless devotion of the Soviet fighters to their government and the Communist Party."

1/ The 1954 military deputies included the following: the defense minister, his first deputies and all his known deputies; the navy chief and his first deputy; the air chief and a possible deputy; the chief of the general staff and one of his deputies; the inspector general; the chief of the Chief Political Directorate; the chief of personnel, and the chiefs of cavalry, engineer, armored, artillery and airborne troops; four of the five fleet commanders; all military district commanders. Only the chiefs of the rear services and of the signal troops were not elected. The navy and air force appear to have improved their positions. The navy now has six identified deputies compared to only one in 1950; the air force representation is now headed by two marshals of aviation whereas in 1950 it had none.

More officers than formerly were elected members of commissions of the Supreme Soviet.

-- Army General M. V. Zakharov, Commander of Leningrad military district, to the Credentials Commission, Council of Nationalities.

-- Army General A. S. Zheltov, Chief, Chief Political Directorate, to Commission on Draft Bills, Council of Union.

-- Army General A. A. Grechko, Commander of Group of Soviet Forces, Germany, to Commission of Foreign Affairs, Council of Union.

A biographic check has revealed that only political officers (Bulganin, Zheltov) ever served in such capabilities previously. Membership on these commissions is believed to be primarily a prestige position.

In February 1954, at various republic party congresses (exclusive, of course, of the RSFSR), the number of military officers elected to the republic central committees and buros was conspicuously greater than in the past. From the 10 republics where there are major troop headquarters, 32 military men, including the 11 military district commanders involved, were elected to the party central committees of their respective republics. With a few exceptions, all were elected full members. Although the actual military representation increased, the significance is lessened somewhat by the fact that the size of the republic central committees was in general increased; military representation on the various republic central committees varies from none (in republics where there are no troop concentrations) to five percent (in the Ukraine).

Of the 11 military district commanders involved in the areas affected by the elections, nine were chosen as members of their republic buros.[1] A check of biographic information available indicates that previously only four military district commanders (Grechko, Konev, Antonov, and Bagramyan) had served as members of the highest party body in the republic in which they were stationed.

In the opinion of a high-level defector, the giving of an increasing number of important party and government jobs to the military was an original move of Malenkov, designed to subject the military to party discipline in a more fundamental sense by increasing their responsibility to the Party.

E. Rehabilitation of Disgraced Officers:

The regime's attempt to correct some of the wrongs suffered under Stalin was probably responsible for the rehabilitation of a number of military officers, some of whom are known to have undergone imprisonment. Stalin's jealousy of the glory justly earned by the military during the war led him to degrade, on various charges, the outstanding leaders of all services. Although Stalin's death brought Zhukov's public reappearance in Moscow[2] and restored the naval chief Kuznetsov to his original rank of fleet admiral, the most remarkable restoration to favor occurred in the

1/ Mention should be made of the two military district commanders who were not elected. This occurred in the Ukraine, which encompasses four military districts. Of the four military district commanders, two (Konev and Chuikov) were elected buro members. To elect all four Ukrainian military district commanders to an 11-man body would have given the military a quite disproportionate representation.

2/ There is reason to believe that Zhukov was back in Moscow as early as 1950, possibly taking the place vacated by Konev as Commander in Chief of Ground Forces. His return was not publicized.

case of air officers. At the end of World War II, practically all the top commanders of the various air forces had been sent into obscurity. During 1953 and 1954, various disgraced air officers, with their original ranks restored, were given awards and medals "for long years of service." Those honored included the following who are listed with the positions held during the last war:

-- Chief Marshal of Aviation A. A. Novikov, Commander in Chief, Military Air Forces.

-- Marshal of Aviation G. A. Vorozheikin, 1st deputy Commander in Chief, Military Air Forces.

-- Marshal of Aviation N. S. Skripko, Chief of Staff, Long Range Bomber Forces. (Note: Skripko may have been in the Air headquarters in a subordinate position; he has become publicly prominent only since August 1953).

-- Col. Gen. A. I. Shakurin, head of aviation industry.

-- Col. Gen. A. K. Repin, Chief Engineer of the Military Air Forces.

-- Col. Gen. N. S. Shimanov, Political deputy, Military Air Forces.

-- Col. Gen. M. I. Samokhin, Commander, Baltic Fleet Air Force.

Zhakurin is now a first deputy minister of the Aviation Industry; Skripko is believed [redacted] to be connected with the Airborne Forces; and Novikov is carried by an unconfirmed report as Commander in Chief of the Long Range Air Force.

F. Increased Number of Military Promotions and Reassignments:

The relaxation of the virtual freeze on officer promotions which had existed under Stalin's regime was noted in Caesar 9 including two promotions to the rank of marshal and six to army general. In addition, certain other promotions have been noted since 1953, and have presumably been accompanied by unpublicized promotions in lower ranks. Among the more interesting have been those of N. I. Vinogradov to admiral and M. A. Shalin to colonel general. Vinogradov, a deputy to the Commander in Chief of the Naval Forces, holds the title of Commander of Submarines of the USSR and his promotion is presumably related to the increased attention to the submarine program. Shalin is head of the Intelligence Directorate of the General Staff.

The greater relaxation of security under Malenkov, so unlike the secrecy of the Stalin regime, revealed a fluid situation relating to officer reassignments. The more important changes, other than the public return of Zhukov, affected the following positions:

-- Chief of Chief Political Directorate (with the Air and Navy political chiefs also undergoing changes)

-- Chief of DOSAAF (twice changed)

-- Chief, Airborne Troops

-- Commander in Chief of Administration of Armored Troops (probable)

-- Deputy Commander in Chief of Naval Forces

-- Chief of Frunze Military Academy

-- CinC of Soviet Forces in Germany

-- CinC of Central Group of Forces (twice changed)

-- Commanders of four of the five fleets[1]

The greatest number of changes has occurred in the military districts. Of the 24 military districts existing at the time of Satlin's death, only three still have the same commanders. Of these changing commands, two military district commanders moved into the Defense Ministry, one (Konev) became the commander of the Soviet bloc combined command, three were reassigned as commanders of other military districts; one was assigned as chief of Soviet Forces in Germany, and four lost their jobs when their military district headquarters were abolished. Of the commanders affected, only one--Artemyev--is definitely known to have suffered disgrace.

The significance of these promotions and replacements and their possible relation to the Soviet political situation will be considered later.

G. Check on Military Gains:

In spite of the blandishments, honors and flattery heaped upon the armed forces under Malenkov, efforts were made to keep their popularity under control. Military men were not given significantly greater access to the public. No speech by a military candidate was broadcast over Radio Moscow. Bulganin, a political marshal, reviewed the parades and gave the addresses on the most important military anniversaries in both 1953 and 1954 (1 May and 7 November); it was customary previously to have professional soldiers take these honors. In general, the voice of the military was heard only in connection with military anniversaries, with one exception where propaganda purposes were served--the letters of Vasilevski and Zhukov berating Montgomery and Churchill for allegedly ordering the stacking of German arms after World War II for possible reissue to the Germans for use against the Soviets.

1/ This list includes all changes since Stalin's death, some of which were already summarized in Caesar 9.

II. Apparent Losses suffered by Military under Malenkov:

The most obvious loss was the reduction in funds available for military purposes as provided under the 1953/1954 budgets. This cut was apparently necessary to finance Malenkov's consumer goods program. The 1953 budget revealed a leveling off of military expenditures: the announced defense expenditures for 1953 were 110.2 billion rubles as compared to 108.6 billion rubles for 1952. This represented a rate of increase for military expenditures of less than 2 percent, as compared to increases of well over 10 percent per year since 1950. Under the 1954 Soviet budget the announced allocation for military purposes was 103.3 billion rubles, a decrease of 9 percent from 1953.

A. Administrative Consolidations in Defense Ministry:

The Defense Ministry, as all sectors of the Soviet government, was affected by the reorganization instituted by the Malenkov government after Stalin's death. This program attempted to reduce expenditures, to improve efficiency, and to transfer an estimated million workers from the administrative to the productive sectors of the economy.

The first changes in the military services took the form of consolidation of certain administrative headquarters, with resulting reduction of functions and personnel. Four of the 24 military district headquarters, an intermediate echelon headquarters, and a fleet headquarters were probably

abolished.[1] It is reasonable to assume that some economy measures took place in all military district headquarters.

B. Reductions in Military Personnel:

Within the headquarters of the Defense Ministry, T/O cutbacks were ordered, with a commission set up to work out proposals for a reorganization. Even the General Staff, the most sacred of all organs of the Defense Ministry, was subject to reductions, which were met with strong resistance by senior officers. The Operations Directorate and the Intelligence Directorate quickly regained their original T/O's, although

1/ In the Far East, the Headquarters of the Forces of the Far East, which has serviced two military districts--the Far East and the Maritime military districts--and the 5th and 7th Pacific Fleets, was abolished sometime in mid-1953. The Maritime military district was absorbed by Far East military district, and the former commander of the Headquarters of the Forces of the Far East (Marshal Malinovsky) became the commander of the enlarged Far East military district. The 5th and 7th Pacific Fleets were combined with headquarters at Vladivostok, and became directly subordinate to Moscow naval headquarters.

In addition, the Gorki military district was merged to the Moscow military district: the Don military district was joined to the North Caucasus military district; and the East Siberian military district [redacted] is believed to have been merged with the Transbaikal military district. A change in the name of two of the northern military districts also took place in 1953, the reason for which is not yet apparent. The White Sea military district was designated the Northern military district; the Archangel military district was renamed the White Sea military district.

the latter was downgraded from a Chief Directorate to a Directorate. The personnel strength of the Intelligence Directorate was initially reduced 30 percent; but was soon brought back to its original size and in fact may have been increased.[1]

The demobilization of a percentage of the officer personnel was undertaken for reasons of economy and efficiency: to reduce the office complement and to weed out the semiliterate officers who had been commissioned during the war. An attempt at fairness was made, as efficiency ratings and experience were to be considered in considering retirement. Two sources establish the percentage of retired officers as approximately 10 percent; a third says a 20 percent reduction was ordered although this is considered doubtful.[2] One source reports that, contrary to plan, the demobilization was carried out in an arbitrary manner; that those who were retired received 40 percent of pay as a pension while those who were demobilized with less than 20 years service, the usual retirement requirement, were retired without pensions. This is said to have wrought a particular hardship on these officers, most of whom were without civilian specialities. The source mentioned the case of an ex-officer now serving as a park guard. It is impossible at this time to assess the effect of these retirements on officer morale.

1/ Agents of the Intelligence Directorate are usually publicly designated as military attachés. Service attachés were sent for the first time (1953-55) to the following : Yugoslavia, Egypt, India, Pakistan, Greece, Belgium, the Netherlands, Lebanon-Syria.

2/ A 10- to 20-percent reduction would involve some 25,000 to 50,000 officers. It would seem that an officer demobilization of this extent would have come to the attention of our military attachés. In this connection, however, it should be pointed out that the reductions were to take place outside of Moscow in military district headquarters and in the field, where MA's would be less likely to hear rumors or to identify recently demobilized officers.

There apparently was some reduction in enlisted personnel, although the extent cannot be determined. The number of soldiers released in 1953 was probably greater than usual, for it included not only the regular class but also those who had previously been held in service beyond the term required by law.

obviously just released, in the harvest fields as early as August. The demobilized soldiers were closely tied in with the new agricultural program and the opening of the new lands. As early as September 1953, Moscow papers reported that released soldiers were pledging their support to the program. There are numerous reports suggesting the pressure on releasees to go to the new lands. Military divisions, as units, were assigned as patrons of certain state farms with the responsibility of keeping them supplied with manpower.

One source reports that troop reductions were to be carried out by skeletonizing every third battalion within the USSR to cadre strength, with the enlisted men from such battalions (approximately 4-500,000 men) being put on reserve status. The validity of this report cannot be determined.

There are hints that even the career military service faced some competition in regard to priority on manpower, particularly from agriculture. A few messages of late 1953 and early 1954 indicate the release of certain specialists from the permanent cadre to the agriculture program, including veterinarians and agriculture specialists.

C. Evidences of Military Economies:

Unfortunately most of the information on military organization and expenditures deals only with the Far East and generalizations cannot be made for the entire Soviet Union; however, from that area comes considerable evidence of reduced expenditures and possibly personnel cuts. expenditures in the Soviet Far East indicate a 10 percent reduction in 1953 below 1952 in actual noncivilian expenditures in the Khabarovsk Krai, Sakhalin,

Irkutsk and Amur oblasts. As at least 65 percent of these funds are spent on the maintenance and upkeep of troop units, a personnel reduction is indicated.

During the spring and summer of 1953, known departures of military passengers from the Chukotsk, Magadan, and Kurils areas exceeded known arrivals by about 25,000. (This figure includes uniformed personnel plus civilians in the employ of the armed forces).

It also appears that since April and May 1954, military construction activities have decreased somewhat in the Chukotsk, Sakhalin, and Kurils areas. This could represent a curtailment or simply the normal completion of projects that have been in progress for several years.

Available data on union budget expenditures in some sections of the Transcaucasus and Central Asia suggest that decreases have also occurred in noncivilian expenditures in those areas. This may in part have been related to abolition of the Don military district.

D. Effect of Malenkov's Economic Policy on Military:

It cannot definitely be stated how the military leadership reacted to the retrenchment policies of 1953 and early 1954. The evidence on retrenchment itself shows only the direction of change, without providing an accurate measure of its extent. It suggests peripheral reductions and economies without any serious reduction in the combat capabilities of the Soviet field forces. This conclusion is supported by other evidence that programs for re-equipping and reorganizing Soviet military forces proceeded in orderly fashion all through the period of changing political leadership.

The changes in personnel policy and administrative consolidations came at a time when the Soviet military leaders apparently had achieved greater freedom to manage the affairs of their own establishment (see Caesar 9). Thus, these changes may in large part reflect the attempt of Soviet military leaders to systematize personnel policy and weed out inefficient or surplus personnel, especially noncombatants, who had hung on since the end of World War II. Such a program was undoubtedly favored by the Malenkov regime in its desire to further its agricultural and consumer goods programs and to cut unnecessary costs wherever possible. It may also have been in part the price paid by the military leaders to increase the effectiveness of their forces despite budgetary restrictions.

III. Role of Military in Light versus Heavy Industry Dispute and Fall of Malenkov:

In attempting to determine the role of the military leadership in the light versus heavy industry dispute and the fall of Malenkov, it is necessary to consider certain questions: Had the military been pressuring the leadership for increased military preparedness? Did Khrushchev and his followers woo the support of the military for their cause? Or did the viewpoints of the two groups happen to coincide on the necessity of increased military strength?

A. Probable Dissatisfaction of Military:

Despite the gains achieved under Malenkov, there are reasons to believe that the military leaders may have been unhappy in 1954. They may have become convinced that Malenkov was jeopardizing the safety of the country by his readjustment of the economy and by what was thought to be the failure of his foreign policy. They were surely uneasy about the imminent rearming of Germany; the growing strength of the West and the diplomatic success of its position of strength; the possibility of their Chinese ally becoming involved in new military risks; the increased military needs of the Satellites and China, particularly as they related to the proposed Soviet counterpart to NATO. Such considerations may have forced the military to desire other leadership.

In contrast to Malenkov, Khrushchev and his followers, disappointed in a conciliatory foreign policy and believing through conviction and experience that military strength as an adjunct to diplomacy should play a major role in foreign affairs, argued for the need of increased military preparedness.

There are hints that throughout 1954 there may have been a running argument on military preparedness. An FBIS study, in analyzing the speeches of Party Presidium members until November 1954, concluded that the members were apparently divided into two groups on the question of allocation of funds to the armed forces: the more militant group (Bulganin, Khrushchev, Kaganovich) which consistently emphasized Western aggressiveness in order to keep military expenditure at a high level; and the non-aggressive group (Malenkov, Saburov, Pervukhin) which was inclined to consider the financial needs of other sectors of the economy at the expense of the military.

B. Military Aspects of Dispute:

Three developments point to the fact that military considerations were closely bound up to the light versus heavy industry dispute:

-- the pointed relation in public statements of heavy industry priority to defense needs, emphasizing the necessity for such priority to maintain the defensive capability of the country;

-- during the height of the dispute, propaganda related to the necessity of military preparedness was intensified;

-- changes stressing increased military strength occurred immediately before and after Malenkov's fall, both within the USSR and the bloc.

Although in general during 1954 Soviet leaders urged the continuing development of heavy industry, the defense-related aspect did not receive as much emphasis as later during the dispute. Only Bulganin was to refer consistently to the defense aspect; this has led to speculation that he may have been acting as a bridge for the military viewpoint. In his election speech of February 1954, he gave particular attention to heavy industry. "The basis for a further upsurge of our national economy always has been and remains heavy industry...heavy industry is the foundation of the invincible defensive ability of the country and the might of our gallant armed forces." Phrases such as these were to be much in evidence during the subsequent argument over heavy versus light industry.

In the propaganda field, the stress on military preparedness was exemplified during this period by two trends:

-- increased references to "surprise attack" with its connotation of "Be Prepared";

-- the reappearance of the theme that war would destroy only capitalism, repudiating Malenkov's previous stand.

Immediately preceding and following Malenkov's removal as premier, concrete indications of an emphasis on increased military strength became evident. The 1955 Soviet budget, announced in February, revealed that the Soviet government intended to return to the 1952-53 level of appropriations for defense. The budget allocated 112.1 billion rubles for explicit military expenditures, a 12-percent increase over the 1954 allocation. If the allocation is completely utilized, these expenditures would be at a postwar high.

A shift in Soviet economic policy regarding military preparedness may have been reflected in the government changes of 28 February 1955. The elevation of V. A. Malyshev to a supraministerial position in charge of a group of ministries in the machine building field may indicate added attention to the armament field. The appointment of Khrunichev, an individual connected with the aviation industry, to the rank of deputy chairman of the Council of Ministers points to increased attention to this side of the defense picture. The background of P. N. Goremykin, named 3 April 1955 as head of the newly created Ministry of General Machine Building, hints that the new ministry may be dealing with guided missiles.

Within the bloc, military preparedness was suggested by the setting up of the much-publicized combined Soviet-Satellite military command under the Warsaw Agreement of 14 May 1955. Although the propaganda value of such a move, proclaiming the unity and determination of the "peace camp," was paramount, military gains were also achieved. The creation of a permanent staff, composed of representatives of the staffs of the participating countries, probably constituted an administrative improvement over the previous Soviet system of bilateral control over Satellite military activities. The location of the headquarters in Moscow and the appointment of a Soviet officer as commander will provide firm Soviet control over day-to-day operations.

C. Conclusions on Military Role in Malenkov Fall:

It is believed that the armed forces leaders contributed to the pressure on Malenkov, probably because of their dissatisfaction with his policies and not because of any desire to seize power or to increase their own power. It is also quite possible that Khrushchev's followers did seek the support of the military leaders, but it is extremely doubtful if the military were the primary power factor in bringing about the change. It appears most likely that these two dissatisfied groups (i.e., the military and Khrushchev's followers) were brought together, without the necessity of too much wooing on either side, by similar viewpoints on the failure of Malenkov's policy and the necessity of increased military strength.[1]

IV. Position of Military under Khrushchev/Bulganin Leadership:

A. Review of important developments since Malenkov's demotion:

The governmental reorganization which followed the demotion of Malenkov in February 1955 brought significant changes in the top leadership of the Soviet armed forces. Marshal Zhukov moved on 9 February into the position of minister of defense, which had been vacated by Bulganin's rise to premier. This was the first time since 1949 that a professional military officer headed the combined armed forces of the USSR[2].

1/ See Caesar 11, The Resignation of Malenkov.

2/ During the previous period of unification (1946-1950), Bulganin, a political marshal, was Minister of Armed Forces from 1946 until March 1949, when Marshal Vasilevsky, a professional officer, took over.

Although the influence of the professional military leadership in the government rose to a new high with Zhukov's appointment, the political leaders took pains to keep the power of the military well within definite limits. No representative of the professional military class was promoted in February or subsequently to the highest policy-making bodies of the USSR--the Presidium of the Party Central Committee or the Presidium of the Council of Ministers. In the Party Presidium, which presumably holds the final voice on policy matters, the armed forces will continue to be represented by Bulganin, a non-professional. Although recent events suggest that some decision-making power may now have been extended to the Party Central Committee, the percentage of military figures in the Central Committee does not give them a decisive voice in that body. Of the 125 full members of the Central Committee, who would have the voting privilege, only 8 (or 6.4 percent) are military officers, and this number includes three who would be considered nonprofessionals--Bulganin, Voroshilov, and Brezhnev. Only 20 military officers are included in the list of candidate members of the Central Committee.

That the new leadership was willing to permit a further rise in military prestige was shown in a variety of ways:

-- the continued glorification of the armed forces through the granting of awards, dedication of monuments, announced planned publication of works on military subjects, etc.

-- the exploitation of the popularity of military officers by making greater use of them as policy spokesmen.

-- the rather obvious efforts of the leadership to show the unity of the party-government-military leadership, such as the attendance at Govorov's funeral in March 1955 and the telecast of Zhukov-Bulganin-Khrushchev for Armed Forces Day in February 1955.

-- the ostentatious mass promotion of several officers to the highest ranks in the USSR in March 1955.

-- the granting of greater latitude of public expression to military officers on military subjects-- even problems of grand strategy.

On 11 March 1955, six officers were promoted to the rank of Marshal of the Soviet Union and five to the rank of chief marshal or marshal of a special arm or service. This was the largest simultaneous promotion to these high ranks ever made in the USSR. At special ceremonies, Voroshilov presented the marshal's star and patent to the newly created marshals, plus the two highest-ranking naval officers.[1]

Certain high military officers in their turn contributed publicly to enhancing the reputation of the post-Malenkov political leadership, by acclaiming a select list of Party leaders who allegedly contributed most to the Soviet military effort in World War II. A recent study has found that during the weeks immediately following Malenkov's resignation, six different military leaders paid public tribute to the part in winning the war played by Khrushchev, Bulganin and the deceased Zhdanov and Shcherbakov.[2] Those military men who spoke out in such fashion included Konev, Bagramyan, Zheltov, Moskovsky (the editor of Red Star) and several lesser figures. The use of selected listings of this type had already played a part in the discrediting of Malenkov, although military leaders had not been important as public participants.

1/ For biographic details on these promoted officers, see Appendix B. The presence of naval officers reveals an incident of interservice jealousy in the Soviet armed forces. Shortly after the mass promotion, it was made public that the highest naval rank had been changed from "admiral of the fleet" to "admiral of the fleet of the Soviet Union." This change was apparently designed to correct any popular misunderstanding that the highest naval title might be inferior to the highest army title, although, according to Soviet field service regulations, the two titles had always been of equal rank.

2/ FBIS, Politics and Military Doctrinal Differences among the Soviet Military Elite, RS. 5, 27 July 1955

During 1955 a total of 80 literary works on military subjects will be issued by the Military Publishing Office, according to a TASS announcement of 9 May 1955. Of special interest is the fact that the series is to include a number of books about outstanding military leaders of the last war. Soviet writers have been instructed to write more books for children about the army and to make them as romantic and inspiring as possible.

At a Moscow conference of the Union of Soviet Writers held in late May, in which the Defense Ministry participated, public requests were made for less censorship of military writing, more accuracy in reporting, emphasis on better biographies of prominent military leaders, and, most significantly, a revision of the Stalinist versions of military history and strategic military doctrine which had developed during World War II. A discussion of basic strategic doctrine this spring revealed a new practice of public appraisal of world-wide military developments, in contrast to the practice during the Stalin era of airing only those opinions which conformed to the military views of Stalin. Recent public statements by Soviet military officers have challenged the military genius of Stalin by calling for a reappraisal of the traditional emphasis of those "permanently operating factors" in warfare which had been stressed by Stalin as being the decisive elements for victory and by asking for more consideration of the significance of the element of "surprise attack."[1]

During the late spring and summer of 1955, as the extremely active Khrushchev-Bulganin foreign policy unfolded, Soviet military forces at home and abroad were used as an important bargaining element

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1/ The five "permanently operating factors" which determine the outcome of war are, according to Stalinist military science: stability of the rear, morale of the army, the quantity and quality of divisions, the armament of the army, and the organizing ability of the command personnel.

in the regime's campaign for relaxation of international tensions. In contrast to the militancy of the period around the time of Malenkov's resignation, the Soviet leadership embarked on a program of concessions in which military leaders were prominent instruments.

The rapid series of foreign policy moves affecting the military establishment began with the Soviet agreement in May to end the occupation of Austria. Following final ratification of the Austrian treaty in July, Soviet forces began to withdraw in August, and the withdrawal was virtually completed by early September. Bulganin used this withdrawal at the Geneva conference as the opening gambit in a series of moves designed to prove to the West that the Soviet military threat had evaporated, when he announced that the total strength of the Soviet military establishment would be reduced by an amount equivalent to the strength of the forces withdrawn from Austria.

This was followed within a month by the dramatic Soviet announcement that as a result of the "relaxation of international tensions" following Geneva, the Soviet armed forces would be reduced in size by a total of 640,000,000 men (estimated to be approximately 16 percent of total military manpower) by 15 December. All the European Satellites except East Germany, which has no official military force, have since followed suit with promises of military manpower reductions of roughly similar scope.

A continuation of such moves was foreshadowed by a toast delivered by Khrushchev in Bucharest on 25 August, in which he stated that the announced Soviet reduction was "not our last word" on the subject of international accord, and that if Soviet actions are followed by similar Western actions, the USSR will "continue to march on this road."

A further Soviet concession involving military forces abroad was made on 17 September, when the USSR agreed to return its base at Porkkala to Finland.

The degree of participation by Soviet military leaders in these decisions is not definitely known, and there is very little information on which to base a hypothesis regarding their role. Marshal Zhukov, as defense minister, logically signed the proclamations regarding the removal of Soviet forces from Austria and the reduction in over-all military manpower. Zhukov himself was one of the four leading Soviet figures at Geneva, despite the fact that his position in the Soviet governmental structure was lower than that of many persons not included in the delegation, although his presence may well be explained by his previous close association with President Eisenhower. At a private luncheon with the President at Geneva, Zhukov is reported to have dwelt at length on the "collegiality" of present-day Soviet decision-making. Following the announcement of the intended evacuation of Porkkala, Zhukov took occasion to inform Western press correspondents that "we decided that the time has come to liquidate our bases in general," and "the sooner the West follows suit the better." (In this statement, Zhukov repeated a theme emphasized by him in an interview with Western correspondents on 7 February 1955, just prior to his appointment as defense minister.)

It must be emphasized that the use of military leaders and military forces as instruments of the present conciliatory Soviet foreign policy does not imply that the Soviet leadership is in its own estimation reducing its over-all preparedness effort. The increased military budget announced in February apparently remains in force, and the statements of last winter regarding the need for a strong defense have in no way been retracted. The "concessions" that have been announced refer only to aggregate manpower and to bases of relatively little military significance. The Soviet estimate, concurred in by the military, may well be that the realities of modern warfare are such that other factors of

military strength (e.g., nuclear weapons and the means of delivering them) now outweigh sheer manpower strength, some of which can be channeled to economic production. It is too early to tell what means the USSR will use to implement its announced troop reduction, but many possibilities are available which would minimize its significance to overall Soviet military capabilities. It is, moreover, quite possible that the 1955 announcement is in part an attempt to take belated credit for some of the reductions which took place in 1953 and 1954. Thus there is at present little reason to suppose that the concessions of the summer of 1955 would have met with serious objections by informed military leaders.

B. Party Control in the Armed Forces:

The enormous prestige and improved status now enjoyed by the military raises the question of their control in the future. Despite the impressive gains of the armed forces, the traditional party and security controls remain, and there are reasons to believe that the leadership will attempt to keep them as effective as in the past.

It is possible that Party and Komsomol membership in the military has increased recently. Molotov in his 8 February 1954 speech to the Supreme Soviet said that, for every 100 men in the army, there were 77 Party or Komsomol members. Earlier, in October 1952, Marshal Vasilevsky had stated that 86.4 percent of the officers and generals were Party or Komsomol members. As most of the senior officers have long been nominal Party members, it is doubtful if Party membership among the officer class has increased appreciably. Assuming the statements mentioned above refer only to the army and assuming a 2,500,000-man army with a 12 percent officer component, this would indicate that approximately 75 percent of the enlisted men are either Party or Komsomol members. On the other hand, if the above statements refer to the armed forces as a whole and assuming a force of 4,000,000 with the same officer percentage, the number of Party and Komsomol members among the enlisted men would be 61 percent of the total.

Party figures are not available to ascertain if this represents a substantial increase in Party and Komsomol membership. It is doubtful if more than a few percent of the enlisted men are Party members as most of them are in the age group for Komsomol membership (26 and under). In view of the emphasis being placed on NCO leadership, however, it is possible that more NCO's are now being admitted to the Party than formerly. In regard to Komsomol membership, an analysis of information obtained from Soviet military defectors reported that heavy pressure is exerted on soldiers to join; and that as a result practically all the troops have at least gone through the formality of taking out membership.[1] It appears that the Komsomol organization in the armed forces underwent a reorganization in the fall of 1954, but details are not available. A broadcast of the armed forces radio service, in September 1954, spoke of the conversion of the Komsomol organization to a "new structure" with organizational meetings being held for that purpose in various armed forces units.

In the matter of Party control of officers, a more liberal approach has been noted. According to the compulsory curricula of political training were relaxed in 1954, so that members of a military Party cell, instead of following prescribed study assignments as in the past, were permitted to use their initiative in the choice of studies. The deputies for political matters were to supervise the courses and to evaluate the work of

1/ A Johns Hopkins study of January 1953 on political operations in Soviet Armed Forces reached the conclusion that in peacetime approximately 22 percent of the total military forces are party members. This would mean that 880,000 military men are party members; this figure is considered doubtful as the total Communist membership in the USSR is less than 6,000,000.

each member.1 Evidence of the truth of this report has appeared in Soviet military publications. In Red Star, 22 March 1955, reference was made to the "putting into practice of the principle of voluntariness in party enlightenment." The article pointed out that during the current training year, many officers have raised their ideological-political level by "independent" study; but unfortunately, the article continues, many of these officers had had insufficient experience in independent study. The article goes on to criticize political organs and Party bureaus which very superficially fulfilled their responsibilities for resolving the difficulties of the officers.

Certain concessions appear to have been made to improve the position of the commander for the sake of military discipline; but these gains have been partially nullified by saddling the commanders with a greater sense of Party responsibility. According to [redacted] members of a military party cell may not criticize their commander, as such action might undermine military discipline; official complaints of the military are forwarded not through political channels but through military channels; the position of political officer extended as of 1954 down only to battalion level, whereas formerly it was found through company level, with the commander assuming political duties on lower levels.

1/ The new emphasis on independence in political activities has its parallel in the tactical field. Officers are now encouraged to use initiative with the service regulations only as a guide, whereas formerly strict obedience to regulations was expected. Earlier in this paper mention was made of the leadership program among the NCO's. It is tempting to speculate on the long-range effects of such policy innovations--whether initiative and leadership can be localized only in the channels desired by the Party.

The numerous references to strengthening "one-man command" show a continuing sensitivity on this subject. For example, Red Star in Feburary 1955 spoke of the necessity "to explain more thoroughly the instructions of the Party in the matter of one-man command." It is not known whether this refers to some recent instructions or whether it is an amplification of earlier directives on the subject. As summarized in Caesar 9, the political officers lost their command powers in 1942. Nevertheless, their continued interference in command functions caused a directive to be issued in 1951 limiting their work strictly to the political field. It would appear that the professional military officers are particularly watchful for any encroachment in the command field.

There are hints of a more sophisticated approach to this problem of unity of command. The political officers are to be kept definitely out of the command field, which is the acknowledged bailiwick of the professional soldiers, but the commander is to be made increasingly aware of the fact that the final responsibility for the political education of his troops rests with him. Political and military training are considered to be of equal value. There have been a number of references to this dual responsibility of the commander in the military and political field, as illustrated by a rather flattering quotation from an article, dated February 1955, by the editor of Red Star: "One of the most important measures of the Party and government introduced into the Soviet armed forces in recent years is the strengthening of unity of command. This raised the authority of commanders still higher and improved discipline and order in troop units. Our army and navy have at their disposal the most experienced cadres of officers and generals, persons who are selflessly dedicated to the motherland, and who are capable of training and educating troops in conformity with present-day requirements. The most valuable commanders are those who skillfully combine their combat activity with the political and military training of their subordinates."

Collection of declassified CIA Cold War documents
Compiled by Lydia Skalozub

That greater freedom of expression on the whole problem of political control in the armed forces is now permitted is indicated by the appearance in Red Star in January 1955 of an article with the rather startling title, "Party Work Should Be Subordinated to the Interests of the Unit's Battle-Readiness."

C. Security Control in the Armed Forces:

The military counterintelligence apparatus, now controlled by the KGB, is believed to be as active as formerly in ferreting out any "subversive" activities of the military. It is doubtful that the security police lost much of their investigative power by the execution of Beria and the reorganization of the security apparatus. Public criticism was directed not against the police system per se, but against the previous leadership and its methods of operations. Both former deputy MGB minister Ryumin and former MGB minister Abakumov were executed for their alleged extralegal use of police power. The security apparatus has been definitely subordinated to the Party and limitations have been imposed on its indiscriminate use, but the police organs survive with their voluminous files and vast network of informers.

Stalin always maintained control of the security apparatus and now Khrushchev appears to be using his influence to assign his followers to the KGB. The chairman of the KGB and his two identified deputies are known to have had previous associations with Khrushchev. This may indicate that Khrushchev now commands loyalties in the KGB and is therefore influential in its operations. It is unnecessary to emphasize that Khrushchev and the KGB, aware of the enormous prestige of the military, would be particularly watchful for any evidence of independent thinking or acting on the part of the armed forces or individuals within it.

D. Control of Zhukov:

In considering the problem of army control, attention must be paid to the personality of Zhukov. He is unique for several reasons: his professional competence; his ability to inspire almost fanatical loyalty among his followers; his position as the most popular figure in the USSR, both with the populace and the armed forces; and a certain independence of mind.

There is no reason to question his loyalty, either to the Party or to the government. He, like many of the more prominent Soviet officers, has long been a member of the Party, which he joined in 1919. Most of his speeches have followed the general policy line of the moment, although with notable moderation of phraseology. His letter attacking Montgomery and Churchill in December 1954

was undoubtedly written at the bidding of the Party and was in terms so vitriolic as to appear to have been written by someone else. In his speech for V-E Day, 1955, he duly gave credit to the Party as the inspirer and organizer of victory. Nevertheless, certain hints of independent thinking have appeared, particularly with reference to his concept of atomic war. There is reason to believe that he may share a viewpoint as to the effects of a third world war more nearly in accord with the opinion expressed by Malenkov in March 1954.

On 9 May 1954, Zhukov in his first Pravda article after his return to prominence stated that "war means heavy losses for both sides"; this was the closest approach by any top Soviet figure to Malenkov's thesis of destruction-of-world-civilization. In a February 1955 interview with Hearst reporters, Zhukov again used this theme, stating that "atomic war is just as dangerous to the attacker as to the attacked." Although Zhukov, in his 23 February address on Armed Forces Day, made no allusion to possible Soviet losses in a new war, he failed to reassert forcefully the theme that a new world war would destroy capitalism alone. This reticence appeared unusual in view of the blunt repudiation of Malenkov's thesis by Molotov on 8 February and by Voroshilov on 26 March, as well as the presence of this theme in the Soviet press at that time. In his V-E Day 1955 Pravda article, Zhukov wrote: "One has to be surprised at the fact that big military experts -- and especially those of Britain -- have such an irresponsible attitude toward the problems of atomic and hydrogen war. We, the military, realize more clearly than anyone else the extremely devastating nature of such a war."

Zhukov has been described as an ardent nationalist who is intensely interested in the defense of his country. He may have favored the more conciliatory foreign policy of Malenkov; however, the failure of this policy plus the imminent rearmament

of Germany might have thrown him on the side of those advocating greater military preparedness at the time of Malenkov's removal. He has made several statements, apparently sincere, indicating his desire for peace, such as his remark made at a Warsaw reception in May. According to [redacted] Zhukov advised the diplomats to make peace, saying that he had fought seven wars and had had enough. His personal correspondence with President Eisenhower and his letter to the Overseas Press Club of 20 April were undoubtedly efforts to reduce tension. In his letter to the Overseas Press Club, he expressed certainty that the President would do everything in his power to give practical aid to the cause of peace, stating that "new efforts are now needed to avoid further aggravation of international tension. He also remarked that while "some politicians would like to instill the idea that war is inevitable, the common people of the world do not want bombs dropped on their homes." In this letter Zhukov referred to the destruction that a new war might bring to "children, mothers and wives" in "New York or Moscow, London or Paris."

His appointment as defense minister may well have been to increase the popularity of the party and government at a time when a more austere internal policy was to be reintroduced. Although by his appointment his prestige has increased significantly, his power is limited. He was elected a full member of the Party Central Committee in mid-1953, but he has not been elevated to the Presidium of the Party Central Committee, which is considered the final policy-making body in the USSR. Nor was he elected to the Presidium of the Council of Ministers, whose responsibilities presumably include some policy-making functions. He is one of the more than 50 ministers who form the Council of Ministers.

It was previously mentioned that the KGB would continue to restrain any ambitions to power on the part of the military. Mention should be made of the relations between Zhukov and the man apparently

handpicked by Khrushchev to be head of the KGB, I. A. Serov, whose promotion to Army General was revealed in August 1955. According to reports, Zhukov and Serov, who were both in East Germany following World War II, thoroughly disliked each other. At that time, Serov was purging anti-Soviet elements in the Soviet Zone of Germany. Reports indicate that their paths may also have crossed at a later date. Serov was sent as an MVD officer to the Ukraine; at that time Zhukov was military district commander at Odessa (Ukraine). In 1948, Zhukov was dispatched into semiobscurity to the Urals.

There are also indications that the party leadership is taking steps to hold Zhukov's prestige within bounds by building up Marshal Ivan Konev as a possible counterweight to Zhukov and by belittling Zhukov's wartime successes.

E. Buildup of Konev as Counterweight to Zhukov:

Marshal Konev, although stationed outside of Moscow from 1952 to 1955, was at the center of several major political controversies in recent years. He was named as a Doctors' Plot victim in January 1953; he reportedly took part with Zhukov and Bulganin in the arrest of Beria in June 1953; and he served as chairman of the special session of the Supreme Court which tried Beria and his associates.[1]

On 8 February 1955, he acted as spokesman for the armed forces at the Supreme Soviet session. He was also picked to write the Pravda article for Armed Forces Day, 23 February 1955, in which he singled out Khrushchev for special attention. In

1/ For information on the fate of the Doctors' Plot "victims," see Appendix A.

doing this, he departed from the customary alphabetical listing of wartime political officers to name Khrushchev ahead of Bulganin, Zhdanov, and Shcherbakov. His Pravda article was the most widely broadcast commentary of the anniversary; in contrast, Zhukov's speech, which had been televised, was not broadcast and only a brief summary appeared in Pravda.

Konev was again chosen to give the main address at the 1955 V-E celebration at the Bolshoi Theatre, the first time such ceremonies had been held on this date. His speech, which has been characterized as being particularly Stalinist, was given unusual prominence. Again he set Khrushchev apart from the other political officers by stating, "Comrade Khrushchev, comrades Bulganin, etc."

It is noteworthy that two other military figures, Bagramyan and Zheltov, subsequently copied Konev's technique of listing Khrushchev before Bulganin, although they did not go so far as to separate Khrushchev from the others listed.

Konev, described as an ardent Communist and a devoted friend of Stalin, joined the party in 1917 and was active in organizational work. He began his military career as a political commissar. He was elected a candidate member of the Central Committee, CPSU, in 1949, achieving full membership in October 1952. Since his assignment in 1952 to the Ukraine, he has been active in Ukrainian party affairs. The Germans described Konev, whom they nicknamed "Butcher" because of his heavy troop losses, as "more of a politician than a soldier."

Konev was picked by Khrushchev to accompany him to Warsaw on two occasions in 1955: the anniversary of the Soviet-Polish Treaty of Friendship and the anniversary of the liberation of Poland.

Konev was identified in April as a deputy minister of defense, only to be named in May as the commander of the Soviet-Satellite combined forces.

Little is known of the personal relationship between Konev and Zhukov. During World War II, Konev participated in military operations coordinated by Zhukov, serving in the defense of Moscow and the reconquest of the Ukraine. Zhukov's apparent confidence in Konev as a military commander is indicated by the fact that in the drive from Warsaw to Berlin, Zhukov, then personally commanding a front as well as co-ordinating all activities in the area, consistently kept Konev on his left flank. One area of conflict between the two has been reported: Konev allegedly favored strengthening the political control system in the armed forces in contrast to Zhukov's insistence on strict one-man command of units. There may be professional jealousy between the two, since Konev succeeded Zhukov as commander in chief of the ground forces in 1946 when Zhukov was reduced to a military district commander.

In the build-up accompanying Konev's appointment as commander of the combined Soviet-Satellite forces, wartime history was distorted to challenge the pre-eminent position of Zhukov. Perhaps the most revealing exaggeration of Konev's position was carried in a Polish newspaper the day after his appointment: "The figure of Marshal Ivan Konev, twice Hero of the Soviet Union, commander of the First Ukrainian Front during the war, conqueror of Berlin, and liberator of Prague, is growing to the dimensions of a symbol -- the symbol of the invincible might of the Soviet army and of our entire camp." (ZYCIE WARSZAWY, 15 May 1955).

This quotation distorted facts by ignoring the major role of Zhukov in the conquest of Berlin; furthermore, the only military figure in the USSR who could approach the stature of a symbol is Marshal Zhukov. There were similar distortions in the speeches of various Satellite Party

and government leaders, which magnified Konev's wartime role at the expense of Zhukov.

A biography of Konev (Moscow, News, No. 11, 1955) further disparages the military record of Zhukov. This article stated that Konev's forces "in coordination with those of Gen. N. F. Vatutin (deceased), routed and smashed Hitler's Belgorod-Kharkov grouping. Then followed the sweep across the Ukraine, during which Vatutin and Konev executed the famous Korsun - Shevchenkovskii operation, the "Second Stalingrad." From May 1944 onward, Konev's forces inflicted major defeats on the Nazis in Poland and Czechoslovakia, and it was his troops, in conjunction with those of the First Belorussian Front, which took Berlin on 2 May 1945. The concluding operation of the war, the thrust into the Ore Mountains of Czechoslovakia, was also the work of Konev, and it was highly characteristic of his type of generalship." In this write-up, it is completely overlooked that Zhukov as the representative of STAVKA (General Headquarters of the Supreme Commander) co-ordinated all the ground and air activities of the operations referred to; operations such as these usually involved two to four fronts with a total of ten to twelve armies, plus air support. In addition, Zhukov had personal command of the First Belorussian Front.

A Pravda article on 2 May 1955 by General V. I. Chuikov on the battle of Berlin not only failed to give Zhukov credit for planning and co-ordinating all operations, but distorted truth to give Konev and Rokossovsky equal credit with Zhukov for the Berlin capture. Rokossovsky's contribution was, in fact, indirect, as he remained in northern Poland and northern Germany when Zhukov and Konev rushed from Warsaw to Berlin.

In a recent broadcast on a military exhibit in Moscow, Zhukov's part in the battle of Stalingrad was completely ignored, although he was the STAVKA representative who planned the operation and was in the field during the German

offensive. Lesser individuals were mentioned, including Colonel General (now Marshal) Vasilevsky who, according to the broadcast, was sent "by the Party". Khrushchev's part in the battle of Stalingrad, as a member of the Stalingrad military council, was played up as it had been on previous occasions.[1] Incidentally, the name of Malenkov, who had been sent by the State Defense Committee to Stalingrad, was also ignored.

1/ There has been some build-up of Khrushchev's role as a political officer in the last war. In the past it had been customary to give the State Defense Committee credit for victory, listing its contribution ahead of the work of the political generals. The first variation in the official order of precedence was noted in March 1954; TRUD, on the anniversary of Stalin's death, stated that the Central Committee, without mentioning the State Defense Committee, send Comrades Bulganin, Zhdanov, Shcherbakov, Khrushchev, and others to direct military work. The same four were named in December 1954. This may have been an attempt to undermine the prestige of Malenkov, who was a member of the State Defense Committee, while Khrushchev was not. On 2 February 1955, on the 12th anniversary of the victory of Stalingrad, a Pravda article ignored all military heroes; besides Stalin, only Khrushchev was singled out and personally associated with victory.

F. Probable Appearance of Military Groupings:

It has been speculated that Khrushchev may be attempting to fractionalize the loyalties of the military by building up his own clique among the professional class, in contrast to those who might be called Zhukov's followers.[1] The background of officers promoted in rank or position since the fall of Malenkov has therefore been examined for evidence on the following points: (1) past association with Khrushchev or Konev; (2) evidence of more than usual Party activity; (3) indications of Ukrainian ties.

Of the eleven officers promoted to the rank of Marshal on 11 March 1955, evidence would indicate that three possibly have loyalties to Khrushchev and Konev; there is a slight possibility that two more owe such allegiance. Of the remaining five, it is impossible to advance an opinion regarding four of them, but the fifth has strong wartime ties to Zhukov. No generalization as to allegiance can be made in regard to the officer promoted at the same time to Army General. In Appendix B, information pointing to these conclusions is given. The limitations of attempting to line up followers by the above-mentioned criteria are recognized; nevertheless, the details as outlined in Appendix B, plus the fact that some of these officers

1/ It is impossible to isolate Zhukov's followers on the basis of association. During the last war he came in contact either directly or indirectly with every prominent officer and, during his period of eclipse after the war, his influence would not have been felt in the assignment or promotion of officers. The allegiance that he commands would date primarily from the wartime and post-Stalin periods.

were promoted in place of men of equal or greater qualifications, suggest that some political influence was exerted on their behalf. There was observed a rather close interrelationship of wartime ties among those promoted.

Promoted officers who are considered possibly to favor Khrushchev and Konev are:

-- K. S. Moskalenko, Marshal of SU, Commander of Moscow Military District and Commander of Moscow Garrison;

-- A. A. Grechko, Marshal of SU, Commander, Soviet Forces in Germany;

-- S. S. Varentsov, Marshal of Artillery, probably Chief of Main Artillery Directorate.

Promoted officers whose careers indicate a slight possibility of allegiance to Khrushchev and Konev are:

-- A. I. Yeremenko, Marshal of SU, Commander, North Caucasus Military District;

-- I. K. Bagramyan, Marshal of SU, position unknown.

Promoted officers whose allegiance, if any, cannot be determined:

-- V. I. Chuikov, Marshal of SU, Kiev Military District.

-- S. S. Biryuzov, Marshal of SU, position unknown, possibly PVO chief.

-- P. F. Zhigarev, Chief Marshal of Aviation, Commander in Chief of Military Air Force;

-- S. I. Rudenko, Marshal of Aviation, Chief of Staff of Military Air Force;

-- V. A. Sudets, Marshal of Aviation, position unknown.

Promoted officer with major wartime ties to Zhukov:

-- V. I. Kazakov, Marshal of Artillery, Deputy Commander in Chief of Main Directorate of Artillery Troops.

It was pointed out in Caesar 9 that Konev's subordinates during and after the war have risen, possibly through his influence. These officers include:

-- A. S. Zheltov, Colonel General, Chief, Chief Political Directorate;

-- G. K. Malandin, Army General, Chief of Staff, Ground Troops, and Deputy Chief of General Staff.

-- A. S. Zhadov, Colonel General, formerly Commander in Chief, Central Group of Forces; now possibly a deputy to Konev.

-- V. V. Kurasov, Army General, Commandant, Voroshilov Military Academy.[1]

Of those high officers who have advanced in position since 11 March 1955, the advancements of Konev and Marshal V. D. Sokolovsky are the most significant. Konev's rise has been discussed.

1/ For biographic details, see Appendix B.

The Soviet press revealed in April 1955 that Sokolovsky is now a first deputy Minister of Defense and Chief of the General Staff of the Army and Navy. Sokolovsky, a brilliant staff officer and army commander, was Konev's chief of staff in the drive across Poland; he was relieved before the Frankfurt/Berlin breakthrough, apparently to be Zhukov's staff co-ordinator for the Berlin operation. He replaced Zhukov in 1946 as commander of the Soviet Forces in Germany and as chairman, Soviet Element, Allied Control Council, Berlin. Western officers in Berlin found him intelligent, hard, and skillful in carrying out Soviet policy, in which he was a convinced believer. It was under his direction that the Soviets instituted the Berlin blockade.

He became first deputy Minister of the Armed Forces for General Affairs in March 1949, which position he retained after the separation of the Armed Forces Ministry into the War and Navy Ministries. In 1953, he was identified as chief of the General Staff and a deputy minister of war.

An apparent favorite of Stalin, he was elected a full member of the Central Committee, CPSU, in October 1952. It is impossible to ally him to any military or political grouping.

Of the six new military district commanders in the western USSR, four have major wartime ties to Zhukov; this is also true of the officer who has been recently named chairman of the central committee of DOSAAF (All-Union Society for Cooperation with the Army, Aviation, and the Navy), the Soviet para-military and civil defense organization. Biographic details are given in Appendix B. Newly assigned officers with probable major Zhukov associations include:

-- A. V. Gorbatov, Colonel General, Commander, Baltic Military District;

-- I. I. Fedyuninski, Colonel General, Commander, Transcaucasus Military District;

-- A. I. Radzievski, Colonel General, Commander, Odessa Military District;

-- V. Ya. Kolpakchi, Colonel General, Commander, Northern Military District;

-- P. A. Belov, Colonel General, Chairman, Central Committee, DOSAAF.

In attempting to outline the possibilities of groupings or cliques within the military establishments, two other recent developments must be taken into account. The first, already discussed, is the singling out by certain military leaders in the spring of 1955 of the select grouping of Party leaders who allegedly contributed most to winning World War II. Konev, Bagramyan and Zheltov were chief among the military leaders who chose or were chosen to perform this service for Khrushchev and Bulganin.

Second, a curious public airing of military doctrinal problems apparently came to a head in March, April and May 1955, during which period important military leaders made statements regarding the significance of surprise attack and nuclear weapons in modern war. The question of the impact of surprise in war goes back to Stalin's assertion following the early German victories in 1941 that surprise was not one of those factors which determine the final outcome of war. Some re-examination of this theory has been evident since the year of Stalin's death, but it now appears that an entire reworking of the theory has occurred and has been brought to light in recent Soviet publications. The full implications of this re-examination are not clear, particularly since it has been interwoven with vigilance propaganda, assertions of Soviet nuclear strength, and the debate over the consequences of atomic war touched off by Malenkov in 1954.

In public statements, different military leaders have exhibited a variety of approaches to the problems of surprise attack and nuclear warfare. In 1954, Vasilevsky and Bulganin called for heightened vigilance and preparedness to use all weapons in case of surprise attack, but it was not until after Malenkov's demotion that the first hints were issued that atomic surprise, because of its decisiveness, might be a valid general principle of modern war. Sokolovsky wrote on 23 February 1955 that the aggressor must be deprived of the element of surprise and that one must "not allow oneself to be caught unawares." On 24 March, Marshal of Tank Troops Rotmistrov publicly called for a re-examination of Soviet military science, declaring that "in certain circumstances a surprise assault using atomic and hydrogen weapons may be one of the decisive conditions of success, not only in the initial period of a war but in its entire course.

The possible results of such a war have been alluded to by several military leaders. Zhukov and Vasilevsky have publicly warned of the heavy losses in life and property that would be visited upon both sides. In contrast to this relatively realistic appreciation, Konev and Lt. Gen. Shatilov (deputy head of the Chief Political Directorate under Zheltov) have avoided indicating the mutually destructive power of nuclear weapons, the latter warning the West to "remember well that atomic weapons as well as suddenness of action are double-edged weapons." Bagramyan stressed Soviet invincibility by repeating Molotov's 8 February 1955 claim of Soviet superiority over the US in hydrogen weapons and called for the Soviet armed forces to "nip in the bud every striving of the aggressors to carry out a surprise attack on our Soviet motherland."

Although little has been said publicly on the subject since May, the problem was left without any clear resolution in Soviet military circles of the question of whether or not atomic war implies

APPENDIX A

Recent History of Doctors' Plot Victims:

Of the 5 military officers (Shtemenko, Konev, Vasilevski, Levchenko, and Govorov) who figured in the doctors' plot, only Shtemenko seems to have suffered a definite decline in position. As he was removed from his post as Chief of Staff of the Army in the autumn of 1952, his removal cannot be related to the Beria affair. He was elected an alternate member of the Central Committee in October 1952. He was reported in East Germany from roughly October 1952 to April 1953, and was last seen at the May Day celebration in Moscow in 1953. Unconfirmed reports have placed him in the Far East.

Marshal Konev's status has definitely risen; he has advanced from a military district commander to a deputy defense minister as revealed in April 1955 to the commander of the Soviet-Satellite combined staff in May 1955. At the time of the first governmental reorganization following Stalin's death, Marshal Vasilevski became a first deputy Minister of War, along with Marshal Zhukov, under Bulganin, who was appointed Minister of War. He remained as a first deputy when the ministries of war and navy were merged on 15 March 1953 into the Defense Ministry. It is not believed that his failure to become defense minister in February 1955 is directly related to the doctors' plot; it is believed that larger considerations entered into the appointment of Zhukov to that position. Admiral Levchenko suffered no apparent decline; he has since 1946 been a deputy commander in chief of Naval Forces in charge of training, and he has appeared recently as in the past at certain Moscow functions.

The detailed medical bulletin issued 20 March 1955 on the illness and death of Marshal Govorov may have been intended to silence any suspicions that his death might have been due to unnatural causes. In the ceremony surrounding his funeral, coming as it did so shortly after the removal of

Malenkov, great efforts were made to show the unity of party and government with the military leaders. Virtually all leading party and government officials stood for a short time at his bier, and all subsequently attended his funeral on Red Square. This tribute was in marked contrast to that accorded to Marshal Tolbukhin who died in 1949, when only Bulganin and Shvernik stood by the bier and only six Politburo members attended the funeral, the notable absentees including Stalin and Beria.

Govorov in 1946 had become inspector general of the armed forces, which position was taken over by Marshal Konev from 1950 to 1952. Konev was sent from Moscow in 1952 to the Carpathian Military District, and it is not known whether Govorov regained his former position of inspector general at that time. There may have been some rivalry between Govorov and Konev; however, both are believed to have enjoyed the full confidence and trust of Stalin.

Govorov appeared prominently at functions immediately preceding and following Stalin's death. He attended the meeting of the Aktiv of the Defense Ministry which denounced Beria in July 1953; and, according to the medical bulletin issued at the time of his death, he would have suffered his first stroke about this time.

APPENDIX B

Biographic Information on Selected Officers:

The careers of certain military officers promoted in rank or position since the demotion of Malenkov are herein examined in some detail for the purpose of unearthing any suggestion of alignment with a particular political group or clique. In attempting to assess political influence, the careers of these officers have been checked for (1) past associations with Khrushchev or Konev; (2) evidence of more than usual Party activity; (3) indications of Ukrainian ties.

The creation of eleven new marshals, as announced on 11 March 1955, was undoubtedly overdue, as only four officers had been elevated to this rank since the end of the war. However, the choice of at least some of the officers promoted suggests that their advancement may be partly due to political associations. This is particularly noticeable because officers whose careers were of equal or greater distinction in the war and postwar period were not promoted. Moreover, some of the posts affected by the recent promotions to marshal do not necessarily call for that rank.

1. Promoted Officers Possibly in Khrushchev/Konev Camp:

Evidence would indicate that three of the new marshals very likely have loyalties to Khrushchev or Konev. Two of them -- Moskalenko and Grechko -- held positions of comparatively less responsibility during World War II, but have advanced unusually rapidly since the death of Stalin. They were given new assignments in the immediate post-Stalin period, and with Chief Marshal of Aviation Zhigarev and Marshal Biryuzov, were among the officers promoted in the summer of 1953.

K. S. Moskalenko:

Moskalenko became commander of the Moscow Military District at the time of Beria's arrest and was one of the two military members of the court which sentenced him, Konev being the other. During the war he served as an army commander with the First Ukrainian Front under Zhukov and Konev and with the Fourth Ukrainian Front under Petrov and Yeremenko.

The association of Moskalenko and Khrushchev appears to have been close. Both Khrushchev, as a member of the military council of the First Ukrainian Front, and Moskalenko, as an army commander, participated in the battle of Kiev. Khrushchev remained in Kiev after its liberation, where since 1938 he had been first secretary of both the city and oblast organizations. Moskalenko, after the war, was stationed in the Carpathian Military District in the Ukraine, where Khrushchev was virtual party boss. Khrushchev went to Moscow in 1949 to become first secretary of the Moscow oblast organization; Moskalenko also went to Moscow in 1949 and became active in Party affairs. In February 1949 he was a candidate member of the Moscow City Committee, becoming a full member in 1952. He was identified as PVO Commander of the Moscow Military District in 1950. Upon his assignment in 1953 to the post of commander of the Moscow Military District, he was promoted to army general.

In April 1954, he and other officers from the Moscow Military District received awards for "examplary fulfillment of missions." It is not known if these missions referred to the Beria affair.

His birthplace is unknown, although his name would suggest Ukrainian origin. He is a Hero of the Soviet Union. He also holds the Czechoslovakian Military Cross and on two occasions has been a member of Soviet delegations to Prague "liberation" ceremonies.

Moskalenko may have been influential in advancing two of his own former subordinates. Lt. Gen. A. Y. Vedenin, who became the commandant of the Kremlin at the time of the Beria affair, was a former corps commander in Moskalenko's wartime army; the officer who has been identified as artillery commander of the Moscow Military District was the artillery commander of Moskalenko's army.

A. A. Grechko:

Grechko, in the last war, was an army commander under Petrov, Vatutin,[1] Zhukov, Konev, and Yeremenko. He remained in the Ukraine after the war as commander of the Kiev Military District from 1945 to 1953.

He has been closely tied to Party activities and to Khrushchev. He was associated, with Khrushchev, with the First Ukrainian Front (under Vatutin) and in the liberation of Kiev. In 1945, he was stationed in Kiev, which as previously mentioned was under Khrushchev. From 1945 until his departure from the Ukraine in 1953, he was a member of the Central Committee of the Ukrainian Party. He became a candidate member of the Buro of the Ukrainian Central Committee in 1949 and a full member in 1952. In October, 1952, he was elected an alternate member of the Central Committee, CPSU. From 1946-53 he served on the Presidium of the Ukrainian Supreme Soviet, and since 1946 he had been a deputy to the Council of Union, USSR Supreme Soviet, and is now a member of the Commission of Foreign Affairs of that body.

1/ Vatutin died in April 1944; his place as commander of the First Ukrainian Front was taken by Zhukov.

In 1946, Khrushchev was a member of the military council of the Kiev Military District, which Grechko commanded. An indication of their friendship is revealed as early as 1946. In that year, Grechko was one of the guests invited to a dinner given by Khrushchev for La Guardia, then UNRRA representative in the Ukraine. In July 1953 Grechko was transferred to the command of the Soviet Forces in Germany; his promotion to army general was revealed shortly thereafter.

He is considered a good tactician and a very able general; he is not a Hero of the Soviet Union.

His writings and speeches have been on military-political subjects. Immediately after Stalin's death, he wrote the Red Star article entitled "Let Us Rally Closely Around the Party."

It is curious that neither Grechko and Moskalenko was considered sufficiently important to appear in the Great Soviet Encyclopedia, although at the time of the publication of the volumes concerned they were both military district commanders.

S. S. Varentsov:

Varentsov, promoted to marshal of artillery, appears to be a Konev protege. He served as commander of artillery for the First Ukrainian Front under Konev and in the storming of Berlin was artillery commander for Konev's troops. He went on with Konev for the capture of Prague and stayed with him in Austria as Commander of Artillery of the Central Group of Forces. He followed Konev to Moscow. His present position is unknown, but he has been addressed at the Main Artillery Directorate and may be its chief.

2. Officers Whose Careers Indicate Slight Possibility of Allegiance to Khrushchev/Konev:

A. I. Yeremenko:

There is sufficient evidence on the basis of association to place Yeremenko in the preceding category; however, the fact that his promotion was so obviously deserved places him in this group.

Yeremenko, promoted to the rank of Marshal of the Soviet Union, commanded at least six fronts during the last war, and has been officially proclaimed as the savior of Stalingrad. He is said to combine a shrewd and profound knowledge of tactics with great courage and endurance. He was wounded seven times during the war and is twice a Hero of the Soviet Union.

From 1947 to 1953 he was commander of the West Siberian Military District; from mid-1953 he has been stationed in Rostov as commander of the enlarged North Caucasus Military District.

He is a Ukrainian; was stationed in the Ukraine before and immediately after the war as commander of the Carpathian Military District; and was commander of the Stalingrad Front to which Khrushchev was assigned. That he has maintained his Ukrainian ties is illustrated by the fact that he returned to Kiev in 1954 for the ceremonies relative to the tercentenary anniversary of the Ukrainian-Russian unification; he was the only military figure present who was not stationed in the Ukraine. He has been active in Rostov City Party affairs.

I. K. Bagramyan:

Bagramyan, now marshal of the Soviet Union, has wartime ties to Yeremenko, Vasilevsky, and Rokossovsky. He became Commander of the First Baltic Front in 1943, and at the end of the war remained in the area as Commander of the Baltic Military District.

He became an alternate member of the Central Committee, CPSU, in October 1952, and since 1946 has been a member of the Buro of the Central Committee of the Latvian Party. An official biography, issued upon the occasion of his nomination for election to the Supreme Soviet in February 1954, states that in addition to his military duties, he "conducts organization and political work among the workers of the republic."

A recent article by Bagramyan suggests that in his strategic concepts he may be allied to Konev, who has generally been regarded as favoring an aggressive military doctrine.

In May he authored an article in October in which he followed Konev's example of singling Khrushchev out for special attention by listing him ahead of the other wartime political officers.

3. Promoted Officers Whose Allegiance Cannot be Determined:

V. I. Chuikov:

Chuikov, promoted to marshal of the Soviet Union, gained fame at Stalingrad, where as commander of the 62nd Army he forced the surrender of Von Paulus' 6th German Army. He served as army commander of the First Ukrainian Front under Zhukov, participating in the battle of Berlin, and remained in Germany as deputy to Sokolovsky, then commander of the Soviet Forces in Germany. He replaced Sokolovsky in 1949 as commander; was returned to Moscow in 1953, and later identified himself as commander of the Kiev Military District. He is twice a Hero of the Soviet Union.

He joined the party in 1919, and was elected as a candidate member of the Central Committee (CPSU), in October 1952, at a time when his leadership in Germany was under fire. Since his

arrival in Kiev, he has been elected a member of the Buro of the Ukrainian Central Committee. He has published a book on the "Marxist-Leninist Theory of War."

He would have been associated with Khrushchev at Stalingrad. His major wartime ties would have been to Zhukov at Stalingrad and during the Warsaw-Berlin drive. His article on the Berlin battle in which he presented Zhukov in a rather uncomplimentary light suggests that he is not in Zhukov's camp.

S. S. Biryuzov:

At 50, Biryuzov was the youngest to be promoted to the rank of marshal of the Soviet Union. During the war he was an army chief of staff at Stalingrad, and during 1943 and 1944 was chief of staff to Marshal Tolbukin. From 1946 to 1947 he was commander of the Soviet occupation forces in Bulgaria and deputy chairman of the Soviet Element of the Allied Control Council, Bulgaria. Western officers who worked with him in Sofia thought his qualifications for his position were more political than military. Neither his wartime promotion nor his military awards would indicate an outstanding war record. He received only two promotions during the course of the war. He is not a Hero of the Soviet Union, although some 11,000 received this award in the last war. He won his first Order of Lenin on his 50th birthday in August 1954.

Of all the Soviet officers who headed Soviet military governments in the East European countries following the last war, Biryuzov was the most heartily disliked by his Western counterparts. He has been described by them as rather crude, arrogant, jealous, and extremely ambitious. A British officer said he was "an ardent Communist, who hates and treats foreigners with contempt." As early as 1945, he was so obviously bucking for promotion to marshal that he was constantly ribbed about it by the chief of the British Mission in Sofia, General Oxley.

Biryuzov appears to have been associated with the Korean war. In June 1947 he left Bulgaria and it was reported that he was to be commander of the Soviet Forces in Korea. He was later identified as commander of the Maritime Military District, which borders on North Korea. In September 1950 he reportedly accompanied other high Soviet officials to a conference at Changchun concerning the intervention of Chinese forces in the Korean conflict. In a conversation with General Arnold at Baden in March 1954, the subject of the aggressor in the Korean war came up for discussion. In the heat of argument, Biryuzov told Arnold, "You can't possibly know who started the war; you were in Washington. I was there." There has been no confirmation of his presence in Korea; however, there has been no defector knowledgeable on this point. It is possible that his headquarters, as the closest Soviet installation to Korea, directed the officer training and logistic support of the North Korean forces.

In 1953, upon the abolition of the headquarters of the Maritime Military District, he was sent to Austria to become commander of the Central Group of Forces, replacing V. P. Sviridov.[1] He was then promoted from colonel general to army general, although his predecessor had been only a lieutenant general. He was called back to Moscow a year later.

1/ According to Austrian prisoners of war recently returned from the USSR, Sviridov is now serving a 25-year sentence at a forced labor camp at Vladimir, Siberia. This has not been confirmed.

He has been a Party member since 1926. His present position has not been identified, although he was recently addressed at PVO headquarters, Moscow, and may be its chief. If so, this would mark the first time that an officer without an artillery background has been chosen for this position.

P. F. Zhigarev:

In March 1955, Zhigarev was promoted to the rank of chief marshal of aviation, which rank would be commensurate with his position as head of the military air force. Opinions vary as to his abilities; sources have reported that he owes his rise, not to professional competence, but to an ability for political intrigue, which has resulted in the downfall of senior air officers.

Zhigarev, in late 1941, was commander in chief of the Military Air Force, only to be replaced in 1942 by Marshal Novikov. For the remainder of the war, he was in the Far East as commander in chief of the Air Force of the Far East. He replaced Marshal K. A. Vershinin as commander in chief of the Military Air Force in August 1949; the reason for this change is not known.[1] Zhigarev, promoted in the early months of the war, received no further promotions during the course of the war.

Zhigarev was elected an alternate member of the Central Committee, CPSU, in October 1952; and was promoted to marshal of aviation in mid-1953.

1/ Vershinin's subsequent return to favor was indicated by his election as an alternate member of the Central Committee, CPSU, in October 1952. He may be the commander of the 7th Fighter Army, stationed in the Baku area. He was elected to the Supreme Soviet in 1954 from Baku.

Rudenko and Sudets:

It is impossible to place S. I. Rudenko and V. A. Sudets, promoted to marshals of aviation, in any grouping. Both are Heroes of the Soviet Union and both have some wartime ties to Zhukov. Rudenko was picked by Zhigarev to be his chief of staff of the Military Air Force in August 1949, replacing V. A. Sudets, who was dismissed with Vershinin. Apparently Rudenko had been associated with Zhigarev in the Far East in the prewar period. As commander of the 16th Tactical Air Army, he participated in operations at Stalingrad, Kursk, Vista, Oder Crossing, and the Berlin breakthrough. He is probably a Ukrainian.

Sudets' position since his dismissal as chief of staff of the Military Air Force in 1949 has not been identified. It is believed that he was stationed out of Moscow. His war record was outstanding, including participation in the liberation of Belgrade and battle of Berlin. His return to Moscow and promotion suggest political overtones, or could represent a need for his abilities in the present air structure. His present position is unknown.

P. I. Batov:

Batov, an infantry officer who was promoted to army general in March 1955 and who has replaced Marshal Konev as commander of the Carpathian Military District, was a wartime commander under Vatutin and Rokossovski. His major contributions were at Stalingrad, Kursk, the Dnieper crossing, Narva, the Oder Crossing, and Stettin. After the war he was a military district commander at Minsk but lost his post in 1949; be was then sent as an army commander to Kaliningrad in the Baltic Military District under Bagramyan.

4. Promoted Officer With Major Wartime Ties to Zhukov:

V. I. Kazakov:

Kazakov, promoted to marshal of artillery, was commander of artillery of the First Belorussian Front under Zhukov, assisting in the storming of Berlin. He remained in Germany as commander of artillery of the Soviet Forces under Zhukov and later under Sokolovsky. He may have returned to Moscow with Sokolovsky as he was last identified in Germany in March 1949. He is now deputy commander in chief of the Main Directorate of Artillery Troops. He has not been identified in any Party position.

5. Officers Whose Careers May Have Been Advanced by Konev:

In addition to Varentsov, certain other officers may be Konev protegés. These include:

A. S. Zheltov: Col. Gen. Zheltov, revealed as chief of the Chief Political Directorate of the Defense Ministry in July 1953, has connections with Konev and may possibly have connections with Khrushchev. Zheltov was a political commissar during the war on various fronts, his last assignment being with Tolbukhin where he would have had contacts with Biryuzov. In 1945 he became deputy chairman of the Soviet Element, ACC, Austria, and a member of its executive committee. He was deputy for political matters first to Tolbukhin and later to Konev, commander of the Soviet Forces in Austria. Konev upon his recall to Moscow stated that he expected to take Zheltov with him, but Zheltov remained in Austria as deputy to Kurasov and Sviridov, successors to Konev. Zheltov did not get along with Sviridov, who is now reportedly in a labor camp. In 1950, Zheltov left Austria "for other duties." He reportedly became the chief of the Personnel Directorate of the Army.

He was elected an alternate member of the Central Committee, CPSU, in October 1952. He is said to speak Russian with a Ukrainian accent and to have been active in Ukrainian Party matters before the war.

A. S. Zhadov: Col. Gen. Zhadov, former commandant of the Frunze Military Academy, was sent to Austria in July 1954 to replace Biryuzov as commander of the Central Group of Forces. Zhadov, an army commander in the last war, distinguished himself at the battle of Stalingrad; he served under Konev and remained with him in Austria. When Konev returned to Moscow to take over Zhukov's job as commander in chief of the Ground Forces, Zhadov went with him to become his deputy for battle training. Konev and Zhadov lost their jobs with the ground forces in 1950, whereupon Zhadov became head of Frunze Military Academy. He has no party positions. His replacement as commandant of Frunze Military Academy, Col. Gen. P. A. Kurochkin, was a wartime commander under Konev and Yeremenko. Since the withdrawal of the Soviet troops in Austria, Zhadov has returned to Moscow and may be a deputy to Konev.

G. K. Malandin: Army General Malandin was a staff officer with Konev's First Ukrainian Front, becoming his chief of staff for the storming of Berlin and the capture of Prague. He became chief of staff of the Central Group of Forces in Austria under Konev. He returned to Moscow with Konev, who as Commander in Chief of the Ground Forces made Malandin his Chief of Staff. Since that time he has retained his position as chief of staff of the army, which automatically makes him a Deputy Chief of the General Staff.

V. V. Kurasov: Army General Kurasov may possibly be a Konev protege. After the war he was sent from Germany to become Konev's deputy in Austria; he later replaced Konev as commander of the Central Group of Forces in Austria.

G. Newly assigned officers with major Zhukov ties:

Within recent months, six of the ten military district commanders in the western USSR have been replaced; of this number, three (Konev, Bagramyan, and Antonov) are known to have Moscow positions.

Of the newly assigned officers in the military districts, all but two -- Army General P. I. Batov and Col. Gen. Lyudnikov -- have major wartime ties to Zhukov. This is also true of the new head of DOSAAF, Col. Gen. P. A. Belov.

The new military district commanders on the western periphery of the USSR are:

Army Gen. P. I. Batov	Carpathian MD	Marshal I. S. Konev
Col. Gen. A. V. Gorbatov	Baltic MD	Marshal I. K. Bagramyan
Col. Gen. I. I. Fedyuninski	Transcaucasus MD	Army Gen. A. I. Antonov
Col. Gen. I. I. Lyudinkov	Tauric MD	Army Gen. M. M. Popov
Col. Gen. A. I. Radzievski	Odessa MD	Col. Gen. K. N. Galitski
Col. Gen. V. Ya. Kolpakchi	Northern MD	Marshal K. A. Meretskov

General Batov's career has previously been discussed. Col. Gen. Gorbatov, under Rokossovsky, commanded the 3rd Army at Stalingrad and captured Orel; he assisted Vasilevsky in the taking of Koenigsburg. He was transferred to Zhukov's front for the battle of Berlin, remaining in Germany as the Soviet Commandant of Berlin. He is a Hero of the Soviet Union and was awarded the US Legion of Merit, degree of commander. From 1951 to 1954, he

was chief of the airborne troops. He is an alternate member of the Central Committee, CPSU, elected October 1952.

Col. Gen. Fedyuninski was with Zhukov in 1939 in Mongolia and later as commander of the 2nd Shock Army in Germany. In the postwar period he was Commander of the Archangel Military District, army commander in the Transcaucasus and deputy commander of the Soviet Forces in Germany under Chukov and Grechko. He has no known party positions.

Col. Gen. Lyudnikov, an army commander under Bagramyan and Vasilevski, became deputy to the commander of the Soviet Occupation Forces in Germany, Chuikov. It is not known when he left Germany. He has no Party positions.

Col. Gen. A. I. Radzievski, chief of staff of the 2nd Guards Tank Army, remained in Germany after his participation in the Berlin capture until 1951. In February 1953, he was identified in the Soviet press as commander of the Turkestan Military District.

Col. Gen. Kolpakchi was a commander of the 69th Army under Zhukov. He went into decline at the same time as Zhukov, and had not been identified in a position from 1946 until his present assignment.

On 2 July, Pravda referred to Col. Gen. P. A. Belov as chairman of the Central Committee of DOSAAF, marking the second change in leadership of this organization since Stalin's death. Belov is an outstanding cavalry commander, and during the last war, participated in the Moscow defense and Warsaw-Berlin campaign, commanding one of Zhukov's armies. Since the war he has been commander of the North Caucasus and South Ural Military Districts.

30 January 1956

OCI No. 0976/56
Copy No.

SOVIET STAFF STUDY

SOVIET VIEWS ON CAPITALISM
(Reference title: CAESAR V-A-56)

Office of Current Intelligence

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Soviet Staff

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Reference Title: CAESAR V-A-56

SOVIET STAFF STUDY

Soviet Views on Capitalism

This study is a working paper. It attempts to identify major trends in Soviet views on capitalism since World War II. It is circulated to analysts of Soviet affairs as a contribution to current interpretation of Soviet policy. This particular study is part of a series prepared under the general title "Project CAESAR", designed to insure the systematic examination of information on the leading members of the Soviet hierarchy, their political associations, and the policies with which they have been identified.

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TABLE OF CONTENTS

SOVIET VIEWS OF CAPITALISM

APPENDICES

~~SECRET~~

SOVIET VIEWS OF CAPITALISM

CONCLUSIONS

Historical

Changes in the capitalist world economy have confronted Socialists everywhere (Reformists, Revisionists, Marxist-Leninists) with certain basic questions: Can capitalism be regulated and stabilized? Can the transition to Socialism be peaceful? Can the capitalist system be organized to prevent war? The different answers to these questions, both before and during the Soviet period, have provoked bitter controversies and have played an important part in determining political strategy and tactics. In the early postwar period the leading Soviet student of capitalism, Eugene Varga, and his professional associates presented the Kremlin with generally affirmative answers to these basic questions, echoing the ideas of the early neo-Marxists, Kautsky and Hilferding.

The controversy during 1947-1948 which was provoked by the ideas of Varga and his colleagues probably reflected controversy, or at least uncertainty, within the Soviet leadership over the stability of the capitalist world and the choice of tactics by the regime. Varga's interpretation of the trends in world capitalism would have supported the continuation of the tactics of the wartime coalition, by placing more reliance upon the traditional instruments of diplomacy and exploiting the national interests of the capitalist powers rather than upon the subversive actions of foreign Communist parties and the "cold war" tactics of expansionism and revolution. The Varga controversy illustrated the existence of deep strains and fissures beneath the monolithic facade of Soviet totalitarianism.

Although events in the form of the united Western reaction to Soviet power and the worsening of East-West relations led to the defeat of Varga and his high-level backers, the vanquished raised questions about the economic stability and political unity of the West that have continued to plague the Soviet leadership up to the present time. Varga's defiant challenge to the Kremlin on the validity of Lenin's thesis that the capitalist powers would fight among themselves instead of uniting against the USSR carried such authority that it was

left to Stalin alone among the Soviet leaders to answer Varga. Stalin's official reply in 1952 was designed to allay fears about the destructive implications of modern warfare and doubts about the dangerous course of postwar Soviet policy. The bankruptcy of Stalin's orthodox answer was clearly illustrated by Malenkov's statement in 1954 about the "destruction of civilization" and by subsequent revisions of Soviet doctrine in this field.

After 1949 Stalin almost certainly never seriously believed in the imminence of a major capitalist depression. After 1951 the increasing propaganda emphasis on the "disunity" theme (disunity between the governments of the major capitalist powers) and the signs of awakening Soviet interest in foreign trade indicated the beginning of a new phase in Soviet tactics arising from Soviet recognition of the armed power, economic strength, and political cohesion of the Western coalition led by the US. Although Stalin recognized the realities of capitalist stabilization, he refused to accept its permanency. Stalin's call to foreign Communist parties to play up "democratic rights" and "national interests" and his concentration on problems of the world market indicated the direction of Soviet efforts to destroy the Western coalition.

Stalin's campaign to impose ideological conformity on Soviet intellectuals almost destroyed the research /intelligence base of Soviet analysis of foreign economic trends. Nothing serious was published in the USSR after the Varga controversy, only straight propaganda. In view of the extreme political pressures and ideological compulsions operating within Soviet society under Stalin, it is highly doubtful that Soviet foreign economic intelligence analyses could have differed in any significant way from the published writings of professional economists. Hence, it is extremely unlikely that Stalin could have gotten an accurate objective appraisal of foreign economic trends even if he had really desired one. The damage to professional activity under Stalin has remained a troublesome legacy of his successors.

The Current Situation

The center of current Soviet interest in capitalism is the question of the effects of rearmament on the capitalist economy, especially the US economy. The present Soviet leadership appears still to adhere to the long-held belief that only rearmament prevented the outbreak of major depressions in the United States in 1945 and 1949. Professional

writings since Stalin's death clearly reflect Soviet recognition of the beneficial economic effects of rearmament on the US economy, particularly as the primary stimulus to modernization and capital expansion. The writings of the leading Soviet economists indicate high regard for the capabilities of the US economy and provide no basis whatsoever for the view that the US will spend itself into ultimate economic collapse.

The post-Stalin leadership has been demanding from its economic specialists on capitalism precise, quantitative answers on the economic implications of a high level of capitalist arms production, instead of the academic propaganda that passed for research under Stalin. In the absence of such scholarly studies, the current view of Soviet specialists on capitalism appears to have posed a central problem for Soviet diplomacy: how to force a reduction in Western arms production (leading to anticipated adverse consequences on the capitalist economies) without sacrificing vital Soviet interests.

There is very fragile evidence that the present Soviet "collective leadership" may not be unanimous in the belief that a US depression leading to a world economic crisis is imminent. Whatever the differences within the Kremlin over the economic stability of the capitalist world, their policy implications under conditions of continued atomic stalemate would appear to lead to the same practical conclusion: the use of political and economic power to strengthen the Soviet state, destroy the Western coalition, and remove Western influence in the uncommitted areas of the East-West struggle. The prevention or outbreak of a major economic crisis in the West would not only affect the world balance of power but also condition the choice of tactics by the Kremlin. Signs of economic weakness in the West could lead to a major miscalculation in Soviet tactics, as well as to high-level differences over the tactics to be pursued. Continued unity, stability, and strength in the West might be a source of controversy within the Soviet leadership, now and in the future, and possibly even of changes in its composition and policies.

The recent prediction by a Soviet economist, who is believed to have contacts with influential elements in the hierarchy, of a depression in the US "in the next few months" represents the most clear-cut Soviet prediction of recent times. It is clearly premised upon an anticipation of a decline in future US defense outlays and a belief that the

international market will in the future become the critical arena determining the development of the anticipated world economic crisis. It is possible that recent Soviet tactics of peddling discontent in the uncommitted areas of the Near and Middle East may be predicated in part on an assumption of an imminent depression in the US leading to a world economic crisis. Elements within the Soviet leadership may calculate that in such an event election-year politics, economic nationalism, and early New Deal precedents might lead the US to reduce its commitments abroad, thus leaving the USSR with a freer hand.

Every serious professional analysis of the capitalist economy has been made at the expense of ideological orthodoxy, both before, during, and after Stalin's lifetime. Since Stalin's death some Soviet economists, led by Varga, have advanced certain heretical propositions on capitalism, and despite professional criticism these men have not backed down, nor have they been silenced yet officially. The post-Stalin regime appears to be attempting to escape the dilemma posed by the conflict between ideological orthodoxy and creative activity by tolerating reasonable heresies in the hope of obtaining accurate estimates of foreign economic trends. Continued economic stability in the West has been, is now, and will continue to be both a headache for the regime and a recurrent source of heresy among Soviet professionals. Toleration of such heresy, while it will almost certainly lead to marked improvements in professional activity, could over the long run undermine the ethos imposed over Soviet society and even debase the ideological appeal of Communism to disaffected foreign intellectuals. Over the long run, the intellectual crisis of Soviet Marxism may be resolved by the official acceptance of current heresies as established orthodoxy.

Developments in the field of Soviet economic research on capitalism in the postwar period demonstrate the adverse effects of ideological conformity and excessive secrecy on Soviet professional activity. If events in this field are viewed, as we believe they should be, as a microcosm of the larger arena of Soviet professional life, then they suggest that the interplay of modern totalitarian and traditional Byzantine influences did immeasurable harm to all fields of postwar Soviet scientific activity. The significant, spectacular advances of Soviet science in the militarily-oriented fields were probably achieved at great expense in terms of

total resources. The present regime's heavy emphasis on raising over-all productivity and creating a more favorable atmosphere for professional activity in all fields probably indicates that it can no longer sustain such inefficient use of its natural and human resources.

SOVIET VIEWS OF CAPITALISM

I. FOREWORD

The purpose of the present study is to examine the elements of continuity and change and the indications of uncertainty and conflict in postwar Soviet views of capitalism, and to attempt to determine the implications of those views on Soviet policies. As a major component of the over-all Soviet appraisal of the international situation, the Soviet views of capitalist economic developments undoubtedly play an important role in the decisions that determine Soviet policies at home and abroad. What is the economic strength and stability of the capitalist world? Will the capitalist world be able to avoid depression? Will it attempt to escape depression by resorting to war? Will such wars break out within the capitalist world or will they be directed against the Soviet Union? The answers to these and similiar questions about the capitalist world have been a major concern for the Soviet leaders and a major target for Soviet experts since World War II.

In arriving at their estimates of the international situation the Soviet leaders, by virtue of the immense importance they attach to the economic aspects of Marxist doctrine, have always paid considerable attention to foreign economic developments. Steadfastly adhering to the basic Marxist tenet that capitalism faces inevitable doom, Soviet spokesmen have repeatedly predicted that the capitalist world is approaching a major economic depression, with disastrous consequences for its political unity and power position relative to the Communist world. In the face of such prospects Moscow has obviously kept a watchful eye on foreign economic developments, ever searching for symptoms indicating the timing, intensity, and duration of the anticipated crisis.

The task of ascertaining the views of the Soviet leadership on capitalist economic developments is confronted by formidable difficulties, not the least of which are the monolithic uniformity and propagandistic character of Soviet pronouncements. How can one be certain that the allegations of Soviet spokesmen necessarily reflect the actual thinking of the leadership? Although no definitive solution to this problem is possible, there are certain tendencies in the behavior of Soviet totalitarianism which do offer some clues for analysis. In the first place, Soviet pronouncements can be analyzed with consistency and clarity, because they are

dominated by centralized, known purposes that have been defined by the leadership and that have a constancy absent in nonauthoritarian states. Thus Soviet spokesmen are bound to cling to the orthodox line, until it is modified from above. Moreover, since the Soviet leadership professes allegiance to a purportedly rational system of ideas, it is obliged to explain every course of action rationally in terms of orthodox ideological formulae. Traditionally conservative about its ideological legacy, the Soviet leadership does not tamper with it in the absence of a pressing motive. Hence, analysis of the modifications, readjustments, and contradictions in these ideological formulae may not only provide a means of measuring the depth and importance of actual policy trends, but may also, when viewed against the background of those trends, illuminate some of the underlying realities governing Soviet thought and action.

Since there is no direct source material that tells us specifically how the Soviet leaders view the course of capitalist economic development or what effect their views have on policy decisions, it is necessary to rely primarily upon inferences drawn from their public pronouncements and from the writings of professional Soviet economists. During the prewar period a special sector of Varga's Institute of World Economy and World Politics of the USSR Academy of Sciences was reportedly responsible for basic economic intelligence research and reporting in the USSR. It was the particular mission of this unit to provide evaluated reports and estimates to the Soviet leadership on trends in the capitalist economies.

Whether the postwar channels are the same is not known. In October 1947 the Economics Institute of the USSR Academy of Sciences took over the function of the Institute of World Economy and World Politics, and continued to supervise research on foreign economies until August 1955, when a new organization, The Institute of the Economy of Modern Capitalism, was formed in the USSR Academy of Sciences. It is, of course, possible that because of the continuous criticism to which the Economics Institute was exposed during the postwar period it was no longer entrusted with an intelligence and evaluation function. However, in view of the complexity of the data on capitalist economic developments, as well as the fact that the Economics Institute and its successor contain the foremost collection of economic theoreticians and technicians in the USSR, it seems plausible that the Kremlin continued to rely upon professional economists for intelligence analysis and reporting. The publications of professional

Soviet economists constitute a primary source for many of the observations of the present study, and they are believed to provide a reasonable point of departure for hypothesizing on the actual views likely to be held by the Kremlin.

Given the extreme political pressures and ideological compulsions operating within the Soviet totalitarian polity, it seems highly doubtful that Soviet intelligence reports (as distinct from publications of professional economists) could have provided the Kremlin with accurate, objective analyses of foreign economic trends during Stalin's lifetime. In the prewar period Stalin himself is reported to have complained about the propagandistic character of the economic intelligence reaching him, with the result that the special sector of Varga's Institute reportedly resolved the dilemma by collecting quotations from capitalist publications and introducing them with the caveat that they represented "bourgeois propaganda"! It is also instructive that even in their overt activities Soviet economists were unable in Stalin's lifetime to prepare the general textbook on political economy that had been demanded by the politicos since at least 1948. Memories of the blood purges of the thirties and the general deterioration of the domestic political atmosphere under Stalin were almost certainly unlikely to promote any heroic searches for objective truth by Soviet professionals in or out of the government.

It is necessary to distinguish between analyses of foreign economic trends and factual reporting on the physical growth of national power. Thanks to the easy access to information in free societies and the efficiency of its own covert intelligence services, the Kremlin unquestionably enjoyed unparalleled success in obtaining factual data on trends in foreign industrial and military production. The rapid growth of Western industrial-military power after Korea was obvious to even the most confirmed Soviet Marxist. However, the problem of determining whether this growth in physical power was "healthy" in an economic sense, whether it would complicate the course of future economic development and lead to crises and collapse, was an analytical task for technicians familiar with the peculiarities of foreign economic and political life. The present study is concerned with the Soviet analyses of foreign economic trends and not with Soviet factual reporting of physical data on Western production.

The problem of determining the influence of Marxist doctrine on Soviet views of capitalism is, of course, of no little importance. There is, however, a danger in treating Marxist

doctrine, or rather the official Soviet versions of it, as an inflexible and integrated system of ideas, valid for all historical periods. In fact, various elements of Marxism in the Soviet Union have undergone erosion and change under the impact of inexorable circumstance. Therefore, from an intelligence standpoint, it is perhaps more useful to attempt to identify the social realities underlying the changing Soviet doctrinal formulae than to attempt to determine the degree of intellectual conviction or ideological zeal entertained by the Soviet leaders at any particular time.

Although the Kremlin has endeavored to cloak its actions behind a facade of monolithic unity, the occasional eruptions of disorder in polemics and policy have provided a glimpse of the conflict of forces and movement of ideas operating within the Soviet hierarchy. Even in the absence of precise knowledge of the inner workings of the Soviet leadership, such major landmarks of postwar Soviet history as the Varga heresy and Stalin's last article, to mention a few, have served to highlight the basic issues and disputes that confronted the leadership when it attempted to assay postwar developments in the capitalist world. Given the high stakes of Soviet policy, the complexity of the basic problems, and the diversity of the contending personal and group interests, it is not surprising that conflicting conceptions of international realities and their implications for Soviet policy continually plague the Soviet leadership.

In addition to examining the content of Soviet thinking on capitalism, the present study is focused on the problem of the position of the intellectual in Soviet society. As the individual upon whom the Kremlin relies for technical guidance, the professional is perpetually badgered by conflicting demands of technical accuracy, professional honesty, political expediency, and doctrinal orthodoxy. The changes in the postwar intellectual climate and the resulting deformation of professional activity into political propaganda are both an interesting sidelight of Soviet history and a troublesome legacy of the present Soviet leadership. It is believed that trends in Soviet policy toward intellectuals, particularly those individuals following developments in the non-Soviet world, will provide one of the best indicators of changes in Soviet society and, more important, the permanency of changes in Soviet state policies. Developments in the intellectual field constitute a rich, though relatively untopped, source of intelligence on the USSR.

In a certain sense, the present study is intended as an investment in the future, insofar as it is successful in laying

the base for anticipating future developments. It purports to contain not an exhaustive record of the events relating to Soviet views of capitalism, but rather an analysis of those leading events which are thought to have molded the main lines of development. Attention has been directed very generally to certain selected events and controversies which, though they took place well before the period under investigation, are believed to be helpful in appraising the significance of much of later-day Soviet thinking. It is also hoped that the present study will demonstrate that certain areas of research on Soviet thought can, in terms of time and results, be more efficiently and successfully pursued within the intelligence community itself rather than by external research.

II. MARXIST VIEWS OF CAPITALISM: THE HISTORICAL SETTING

1. Since its appearance as a revolutionary force in Europe, Marxism has been the center of endless intellectual controversy and bitter factional discord between Marxists and reformists within each national party and within the socialist movement at large. The emergence of new conditions in late nineteenth century capitalism--the stablization and expansion of production at home and overseas, the general rise in living standards, the growth of the middle class in industry and government, the increase in labor's political influence, and the broadening base of parliamentary democracy--registered a profound effect on the revolutionary traditions and political programs of socialists everywhere. In response to these social changes, the intellectual and political leaders of European socialism sought new perspectives upon which to base their social philosophies and shape their political programs.

2. The effects of the changes in capitalism were to strike at the very foundations of Marxism and to challenge many of its basic concepts. Could capitalism be regulated and stabilized? Could the proletariat gain power peacefully within the framework of the capitalist state? Could the capitalist states enter into a new phase of combining to share in the division of world resources? The divergent answers given to these basic questions by Marxists and reformists marked the turbulent history of the socialist movement and produced interminable debate and irreconcilable differences over both the original substance of Marxist theory and the pressing questions of strategy and tactics. The changes in capitalism in the period before World War I generated an intellectual ferment which was expressed politically in the formation of discordant groupings within the Second International, the principal wings of which were headed by Edward Bernstein on the Right, Karl Kautsky in the Center, and Lenin on the extreme Left.

3. Bernstein, whose doctrines became known as revisionism and whose supporters included a motley grouping of social reformers, believed that the fundamental tenets of Marxism had been generally invalidated by the later developments in capitalism. He observed that the prospects for great political catastrophes had been diminished by the democratization of the modern capitalist nations, and held that the collapse of capitalism was not imminent. Hence, he argued against the adoption of tactics that assumed the immediate outbreak of a great social revolution, and he preached evolution and

collaboration rather than revolution and class conflict. He pointed to the gradual improvement of the workers' lot though such measures as factory legislation, trade union action, and democratization, and maintained that the gradual movement forward of the working class was everything, the final aim of socialism nothing. In defense of the national state and the peaceful transition to socialism, Bernstein insisted that the interests of the workers tended to become identical with those of the highly developed democratic state. In general, he doubted the inevitability of socialism and instead argued in favor of its desirability.

4. Kautsky, whose supporters considered themselves "orthodox Marxists" and formed the largest group in the Second International, was during the period of the prewar International its leading theorist, who in later life was to become a severe critic of the Soviet regime. Although Kautsky, like his Russian Menshevik adherents, was addicted to "revolutionary phraseology" and subscribed to the orthodox Marxist concepts of class, crisis, and revolution, he stressed in The Road to Power (1909) that the proletariat could "well afford to try as long as possible to progress through strictly legal methods alone." Unlike Bernstein, he accepted Marx's laws of the decay of capitalism, but he tended to interpret them in terms of peaceful development, placing emphasis on the inevitability of socialism as the climax of a very lengthy process of development in which the contradictions of capitalism would become increasingly evident. Although regarded by Lenin in the period before World War I as a revolutionary Marxist, Kautsky in practice advocated a program of gradualism and reform. Abhorring violence, Kautsky believed that the proletariat, by utilizing the instruments of liberal democracy, could increase its strength within the framework of the capitalist state and obtain fundamental concessions from the capitalists.

5. During World War I Kautsky developed the concept of "ultra-imperialism," which was bitterly attacked by Lenin in Imperialism, The Highest Stage of Capitalism (1916). Following in the footsteps of Rudolf Hilferding, the German neo-Marxist, Kautsky advanced the thesis that peaceful exploitation of world resources by allied capitalists was possible. He argued that economic monopolies were compatible with nonmonopolistic, nonviolent, nonexpansionist methods in politics, and maintained that imperialism was not the only or even the final stage of modern capitalism, as Lenin was later to assert, but only one of the forms of the policy of modern capitalism against which the proletariat should struggle.

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Compiled by Lydia Skalozub

By suggesting the possibility that the capitalist world could be organized either by agreement between the great monopolies or by the domination of their most powerful representatives, Kautsky raised doubts that were to continue to trouble Marxists everywhere.

6. The first of the reformists to direct a well-organized, scholarly attack against Marx's theory of the inevitable collapse of capitalism for economic reasons was Rudolf Hilferding, the theoretical spokesman of the German Independent Socialist Party and author of Finance Capital (1910). Hilferding directed his attention to the growth of monopolies under capitalism and arrived at a conclusion different from Marx's, namely, that through concentration capitalism might gain internal stability. In international relations, he foresaw the development of a general cartel through which the capitalist monopolies could jointly exploit world resources. In his later years Hilferding became a main advocate of the concept of "organized" or "planned" capitalism. He argued that as the result of financial and industrial concentration, the fluctuations in the business cycle would tend to become milder as time went on, and that instead of inevitable collapse the cycle might take the shape of mere continuous rises and falls in production and profits. Hence, Hilferding laid the theoretical basis for the transition of monopoly capitalism into a planned economy susceptible to ever-increasing pressure and control by the working class.

7. Against these reformist interpretations of capitalism, Lenin stood as the uncompromising exponent of all the revolutionary aspects of Marxism. He stressed the irreconcilability of the class conflict and advocated the militant struggle of the proletariat against all the institutions of the bourgeois state. In his Imperialism and later in State and Revolution (1917), Lenin waged a relentless theoretical struggle against the so-called "Kautskian perversions" of Marx. He denied the possibility of capitalism overcoming the anarchy of production by monopoly-capitalist planning and of a non-expansionist capitalism. In reply to Kautsky's concept of "ultra-imperialism," Lenin stated that the general law of the uneven development of capitalism would render any interimperialist agreement ephemeral and a mere prelude to new conflicts for the redivision of the world. According to Lenin, the capitalist states were destined to suffer from crises of overproduction which they would seek to overcome by attempting to secure foreign markets. In the resultant competition they would clash in imperialist wars which would weaken the capitalist front and pave the way for the ultimate

victory of the proletariat. For Lenin and his Soviet successors, imperialism was the ultimate final stage of capitalism in which the decisive struggle for its overthrow was to be fought.

8. These theoretical divergencies between Marxists and reformists over trends in capitalism lay at the root of the actual differences in their behavior during and after World War I. In Western Europe, where reformism had taken firm hold and had sapped the roots of revolutionary fervor, the socialist parties were to yield to the demands of national interest and to formulate programs of social democracy within the framework of the capitalist system. In Russia the Marxist-Leninist concepts of capitalism, which had played such a vital part in the shaping of Bolshevik strategy and tactics, were to find a concrete proving ground for revolutionary action. To the Soviet leaders confronted with the dual task of governing a national state and carrying out a world revolution, the very question of survival and success depended upon the accuracy of their appraisal of the forces at work within the capitalist world.

9. Since examination of the divergent intellectual and political trends in Soviet and Western Marxism in the interwar period is beyond the scope of the present study, it may be useful to assess the relevance of the early controversies to later-day thinking. First, these early controversies illuminate the critical importance of theory in Marxist thought. To Marxists adhering to a universal philosophy seeking to explain scientifically the process of social development, theory was the anvil on which the practical problems of strategy and tactics were hammered out. Second, even after the monolith of Stalinist totalitarianism had enveloped Soviet society and had pulverized opposition, theory remained the vehicle in which controversy was expressed, discipline enforced, and policy rationalized. Because theoretical certitude was required to ensure ideological appeal and to sanctify political action, theoretical error was to be regarded as of the most serious consequence. Lastly, the fundamental questions of theory and policy that had been argued over in the early controversies were, despite the existence of national boundaries and iron curtains, to remain the legacy of Soviet Marxism during the interwar period and afterward. The changes in capitalism which had provoked the early disputes over Marxism were to continue to affect the base of Soviet attitude and policy.

III. THE VARGA HERESY AND ITS AFTERMATH

The Varga Heresy

10. It is clear from the major speeches of the Soviet leaders immediately after World War II that they believed the international situation presented both improved opportunities for expanding Soviet power and increased dangers to the USSR emanating from the capitalist world, primarily the US. On the one hand, the desperately weakened condition of Western Europe and large parts of Asia, the convulsions in the US economy attending the conversion from war to peace, and the prospects for a devastating economic depression in the capitalist world--all these provided grounds for optimism. On the other hand, the tremendous increase in the power and influence of the US in world affairs gave cause for grave concern. In view of these perspectives, the Soviet leaders required an assessment of the forces at work in the capitalist world upon which to base the broad guide lines of postwar policy. In this assessment of the world situation, great importance was unquestionably attached to foreign economic developments, which the Kremlin had traditionally regarded as determinants of political action.

11. The Kremlin's efforts to come to grips with postwar international realities faced great difficulties arising from the domestic campaign to ensure political control and restore ideological orthodoxy. Concerned over the general wartime relaxation of political controls and the widespread hopes of the Soviet people for change, the Kremlin had begun a small-scale campaign, even before the war had ended, to wipe out the effects of Western influence and to impose a rigid strait-jacket of ideological orthodoxy on Soviet society.* Stalin's speech of February 1946 had fixed the rationale for such an ideological housecleaning by highlighting the continued dangers facing the USSR from the capitalist world. In contrast with the previous treatment of the war as a "fighting alliance of democratic states against fascism," Stalin scrapped the wartime coalition ideology and placed the conflict squarely in the

*For an excellent summary of the early stages of this development, see John S. Curtiss and Alex Inkeles, "Marxism in the USSR--the Recent Revival", Political Science Quarterly, September 1946.

context of the struggle of the two systems of capitalism and socialism. Following this speech, the pace of the ideological campaign was stepped up, and its scope was widened to cover all the professional groups in the USSR.

12. Although the Soviet economists were among those to feel the full weight of the ideological campaign, they were initially treated less harshly and more perfunctorily than the other professions in the USSR. It is possible that the regime, acutely aware of the disruptive consequences of previous purges, did not wish to demoralize the cadres upon which it relied for analyses of foreign economic developments. In June 1946 the first issue of Culture and Life, the organ of the department of propaganda and agitation of the central committee, contained an attack on Soviet economists for their failure to produce any monographs on foreign economic developments. The October issue of the journal criticized the "theoretical backwardness" of the principal Soviet organization responsible for the study of capitalism, the Institute of World Economy and World Politics, headed by the foremost Soviet economist, Eugene Varga. With the exception of these routine barbs, however, the economists studying capitalism were spared sharp Party criticism until mid-1947 and 1948.

13. The publication of Varga's book, Changes in the Economy of Capitalism as a Result of the Second World War, in September 1946 touched off a controversy which spanned a period of over two years and which reflected the conflicting currents of ideology and reality underlying postwar Soviet views of capitalism. Varga had been commissioned by the central committee during the war to produce an analysis of the impact of the war on the capitalist economy. Varga's book and the controversy it provoked were focused on the central problem of whether the war had produced changes in the essential structure of capitalism. In many respects, the issues raised in the course of this controversy echoed those that had been debated by Marxists and reformists before World War I, and, just as in the earlier period, the divergent views of the changes in capitalism contained important ideological and political implications. In addition, this early postwar controversy has special significance because it represented one of those rare, fleeting moments in Soviet history when men spoke their minds freely and expressed their real thoughts about the outside world.

14. Varga's book is significant not only because it was the first Soviet assessment of the over-all consequences of the war, but also because Varga occupied a position of professional pre-eminence and great political influence among Soviet economists. Varga was the leading Soviet expert on the economy of capitalism and the author of many theoretical works on the capitalist business cycle. His ability to bring his statistical analyses into precise correspondence with the Party line had once led Trotsky to call him the "theoretical Polonius of the Comintern" who was "always ready to prove statistically that the clouds in the sky look like a camel's back, but if you prefer, they resemble a fish, and if the Prince desires it, they bear witness to 'socialism in one country.'" An old-time Hungarian Bolshevik who had emigrated to the USSR after the failure of the Bela Kun revolution, Varga had access to the highest Party circles. He was known to have personally advised Stalin on economic matters in the prewar period, and his Institute reportedly had a direct channel to the Politburo, informing the leadership on foreign economic developments. In view of this background, Varga's views were bound to carry great weight among professional economists and high Party officials. In fact, ideas in many ways similar to Varga's had been circulating among the articulate elements of Soviet society for at least a year before the publication of Varga's book.

15. While generally adhering to the gloomy tenets of Marxism on the long-run course of developments in the capitalist economy, Varga advanced certain propositions in his book that not only ran counter to official Soviet doctrine, but also challenged the very foundations of the policies then being developed by the Soviet leaders. The most important and controversial of the ideas developed by Varga may be summarized as follows:

a. Role of the State. The crux of Varga's argument was that the wartime intervention by the capitalist state in the operation of the economy had tended to offset the action of the fundamental laws determining the development of capitalism, and that such intervention would remain more important in the postwar period than before the war. He insisted that the wartime capitalist state represented the interests of the entire bourgeoisie as a whole, and not only the interests of the large monopolies. (He later admitted in the debate over his book that the capitalist state was also increasingly sensitive to the interests of the working class and consumers.) Varga argued that the

capitalist state had been forced by the exigencies of the war to intervene increasingly in the operation of the economy and to subordinate the private interests of the powerful monopolies to the common interest of waging the war.

b. Planning under Capitalism. Varga maintained that the wartime economic intervention by the capitalist state had reduced the anarchy prevailing in capitalism in times of peace. While carefully pointing out that such state intervention was not "planning" in the Soviet sense, he continued to stress its importance during periods of emergency. He predicted that the scope of state regulation would diminish after the end of the war, but that the issue of planning would become urgent once more with the advance of a new economic crisis.

c. The Class Struggle. Varga predicted that the class struggle in postwar capitalism would take the form of a struggle between the bourgeoisie and the proletariat for a greater share in the administration of the state. This proposition, with its clear overtones of gradualism and reformism, implied that the class struggle would be waged within the framework of the captialist state and that the working class would not be progressively excluded from political power, as Soviet propaganda and Marxist doctrine maintained. This view, coupled with Varga's concepts of state intervention and regulation under capitalism, suggested that there might be a peaceful transition from capitalism to socialism.

d. The Status of Colonies and Empires. After studying Britain's imperial relations during the war, Varga concluded that the relationships between the colonial powers and the colonies had altered to the benefit of the colonies. He observed a tendency of the colonies to become less economically dependent upon the colonial powers and to approach the status of ordinary capitalist countries. Pointing to the increased power of the colonies arising from their emergence as a creditor nations after the war, Varga foresaw a period of concessions by the colonial powers to the colonial aspirations for national independence.

e. The Eastern European Satellites. Varga discounted the economic importance of the Satellites in the world balance of power. He asserted that the relative importance of the Satellite economies was too small to affect the general perspectives for the over-all development of

capitalism in the postwar period. Even worse from an ideological standpoint, Varga characterized the Satellite economies as a form of state capitalism, situated midway between capitalism and socialism.

16. Following his analysis of the wartime changes in capitalism, Varga made several specific forecasts regarding the future course of the capitalist business cycle. Dashing cold water on Soviet expectations of an early collapse of capitalism, Varga predicted that it would take at least ten years before a major economic depression erupted in the capitalist world. In his opinion the US, Canada, and the neutral countries would enjoy prosperity for two to three years, after which they would experience a routine crisis of overproduction. This crisis would not become severe or widespread, however, until after the devastated economies of Western Europe and Asia, aided by credits from the US, had reached their prewar levels of production. Then and only then, Varga insisted, would all the fundamental contradictions in the capitalist system become sharpened and lead to a major world-wide economic crisis.

17. Although Varga's specific prognoses about the next economic depression were undoubtedly of great importance to Soviet policy-makers, they were clearly overshadowed by his appraisal of the changes in the essential structure of capitalism. If Varga's analyses of the changes in capitalism were correct, then they raised a strong possibility, despite the appearance of statistical precision in his own predictions of the approaching depression, that capitalism might escape a final collapse entirely by making certain modifications in its basic structure. They also raised serious doubts about the success of the cold war policies then being implemented by the Soviet leaders. Thus, it is not surprising that both the professional and Party critics of Varga and his supporters were quick to seize and concentrate on these heretical propositions, rather than spend much time on his specific predictions.

18. Varga's book was subjected to extensive criticism in May 1947 at a three-day formal session of twenty Soviet scholars.* The seriousness with which the Soviet leadership viewed the issues raised by Varga is demonstrated by

*The participants at this session are listed in Appendix I.

the fact that unlike the situation in literature and philosophy where the Party intervened bluntly and directly in the person of Zhdanov, this meeting was presided over by a professional, K.V. Ostrovityanov, head of the Economics Institute of the USSR Academy of Sciences. The Party leadership was apparently interested in receiving a professional assessment of Varga's findings before indulging in ideological histrionics. In contrast to subsequent sessions dealing with the trends in capitalism, this meeting was distinguished by relatively serious scholarly debate, in large part uncluttered by personal vilification and political invective.

19. Although Varga was widely criticized along orthodox lines for all his heretical, reformist propositions, his severest critics (the economists A.N. Shneyerson, A.I. Kats, Motylov, I.N. Dvorkin and K.V. Ostrovityanov) reproached him sharply for having separated economics from politics and ignored the "general crisis of capitalism" and the struggle between the two systems of capitalism and socialism. In the course of the debate at this session, as well as in the later criticism, Varga was attacked for his position on the deceptively scholastic question of the origins of the "general crisis of capitalism," which according to Varga had originated at the beginning of the twentieth century instead of with World War I and the Russian Revolution, as set forth in official Soviet doctrine. In the jungle of Stalinist symbolism, the real issues were (1) whether the breakdown of capitalism and the shift in political power within the capitalist state could develop automatically or had to result from war and revolution (the former view was ascribed to Varga by his critics, and he never disowned it) and (2) whether there could be an intermediate stage between capitalism and socialism (Varga had characterized the Satellites as state capitalist). In reply to his critics, Varga stated that he was preparing a study of the political results of the war which would serve as a companion piece with his economic treatise.

20. Despite the general criticism of Varga's interpretation of the changes produced in capitalism by the war, the results of the debate were inconclusive. With the exception of his treatment of the Satellites, Varga stood his ground firmly and advanced some of his theoretical propositions even further. Citing developments in Great Britain, he pointed out that at that very moment certain forms of planning--admittedly unlike the Soviet variety--were being undertaken in some capitalist countries. Moreover,

some of Varga's colleagues in his Institute (the economists I.A. Trakhtenberg, M.I. Rubinshtein, Sh.B. Lif, V.A. Maslennikov, L.Ya. Eventov, and La. Mendelson), as well as the highly regarded economist S.G. Strumilin, while submitting partially to the generally critical tenor of the debate, defended Varga against charges that he had ignored the realities of the capitalist world. In sum, the professionals who had been commissioned to re-examine Varga's provocative conclusions on the state of contemporary capitalism could come to no basic agreement among themselves.

The Campaign Against Heresy

21. Faced with unpleasant answers about economic trends in the capitalist world and incipient heresy within the ranks of its professionals, the Kremlin was not slow in reacting in traditional fashion with a ready-made ideological prophylaxis. Surprisingly, the first sharp Party criticism was not directed at Varga but at a work of one of his Institute colleagues, L.Ya. Eventov, The War Economy of England (1946). This book, edited by I.A. Trakhtenberg, was a scholarly and relatively objective work which was apparently written in the spirit of the wartime coalition and which was generally sympathetic to economic developments in the UK. Training its sights on Eventov's book, the authoritative Party organ Bolshevik (15 July 1947) attacked the following propositions: that the wartime delay in opening the second front was connected with inadequate allied production rather than evil anti-Soviet motives; that Britain's colonial interests had suffered to the advantage of her colonies; that acceptance of the US loan and alliance with the US were the only alternatives open to the Laborite government; that British nationalization was progressive and realistic; and that "the war, increasing the economic role of the state, expanding its functions, moves capitalism to a higher level." With regard to the last point, Eventov was charged with following Kautsky's thesis of a "new phase," a "new level" of capitalism. Moreover, indicative of increasing virulence of the Party attack on the Varga school was the criticism of the anti-Varga economist, M.N. Smit, for failing to expose Eventov's doctrinal errors in her book review (Sovetskaya Kniga No. 1, 1947) earlier in the year.

22. The tempo of the ideological campaign against the Varga school was stepped up in the second half of 1947, culminating in administrative sanctions. In September Bolshevik critically reviewed the May discussion of the

economists and attacked Varga's colleagues for failing to repudiate him. Later in the year Politburo member Voznesensky's book, The War Economy of the USSR during World War II, appeared and carried a bitter attack against the economists sharing Varga's views, though not mentioning him by name. Finally, on 7 October Pravda announced the merging of Varga's Institute with the old Economics Institute into a single Institute headed by Ostrovityanov.*

23. Despite these heavy blows the Varga school kept plugging his line up to the time of the merger in his Institute journal, World Economy and World Politics. In August in an article on Anglo-American relations, similar to one he had contributed to Foreign Affairs (July 1947), he wrote that despite their contradictions the US and Britain were united in the chief aims of their foreign policy, which was directed against the USSR. At one point he also treated the Marshall Plan as advantageous to Britain because it would receive sorely needed credits. In October, writing on the thirtieth anniversary of the Revolution, he gave a reformist characterization of the prospects for the peaceful transition from capitalism to socialism in Western Europe, describing how even the European bourgeoisie fatalistically accepted nationalization, state economic control, and "planning." In November L.A. Mendelson wrote an article in which he, like Varga, predicted a short-term upswing in the postwar business cycle stimulated by consumer spending deferred during the war. His use of the concept "deferred demand" was later denounced by his critics as a denial of the Marxist "law" of the absolute and relative impoverishment of the workers under capitalism. In view of this situation, it is understandable why the Party decided to stop publication of Varga's mouthpiece at the end of the year.

24. Throughout 1948 the full force of the ideological juggernaut, propelled by the post-Cominform line of militant struggle between two systems, was directed at the Varga school and its heresies. Articles in the professional and Party journals scathingly attacked the scholarly works of Varga and his former Institute colleagues--works which collectively represent the best and most productive achievement of postwar Soviet economic scholarship.* These works,

*A table giving the structure of the new Institute is found in Appendix II.

**A brief account of the criticism in 1948 directed at the economists representing the Varga school and their heretical works is to be found in Appendix III.

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some of which were discovered to contain germs of Hilferding's "organized" capitalism and Kautsky's "ultra-imperialism" were denounced as un-Marxist, unmilitant, and reformist. No less than five major sessions of the new Economics Institute were convened in 1948 to treat the problems of contemporary capitalism, four of which were devoted largely to denouncing the heresies of the Varga school.* Moreover, widespread personnel changes were made in the sectors of the Economics Institute studying capitalism; in the Sector on Capitalist Business Conditions alone, the important body responsible for collecting and processing all the diverse statistical data on the capitalist countries, there was a complete turnover of personnel.**

25. In the face of such an assault, the unity of the Varga school began to crumble. While some of his adherents remained silent, most of them recanted publicly, and, in the poisoned spirit of Soviet politics, turned viciously on each other. Varga himself became the object of their cruel attacks, and in a symbolic display of Party loyalty he prepared several very hostile and propagandistic articles on US policy for the journal New Times. Yet throughout 1948, in the face of threats, accusations, and the unsavory spectacle of widespread professional degradation, Varga retreated on only a few minor points. In October he admitted that the tone of his book was too temperate and that the separation of economics from politics was erroneous. However, he not only held his ground on his major theoretical heresies, but also delivered a most telling counterblow at his adversaries.

26. In an October meeting of the Economics Institute, at which many of Varga's associates fully recanted their errors after having been soundly denounced, Varga hurled another challenge to the Soviet leadership on the inviolability of the Leninist thesis of the inevitability of war between the imperialist countries. It was on this very

*A table listing the formal postwar sessions of Soviet economists dealing with capitalism is presented in Appendix IV.

**Appendix V contains a list of the known personnel in this Sector in Varga's old Institute in 1947 and in its successor in 1952-1953.

principle--that the growing contradictions between the imperialist countries would lead finally to war and collapse--that the Soviet leaders based their hopes for ultimate victory. Varga maintained that the overwhelming economic and military superiority of the US in the capitalist camp, as well as the pressing domestic and colonial problems of the imperialist powers, made war between them extremely improbable in the present period. In the light of such "powerful antitheses," Varga defiantly called for a re-examination of the fundamental Leninist theses on the origin and nature of war. The specter of Kautsky's "ultra-imperialism" which Varga had publicly raised was to haunt the Soviet leadership throughout the postwar period.

27. In 1949 the powerful wave of anticosmopolitanism flooded over into the ideological current, and together they were able to sweep away the last remnants of Varga's 30-month heresy. Varga recanted for his heretical mistakes in the March issue of Problems of Economics, the journal that had replaced Varga's own house organ. He admitted the error of his reformist propositions on the increased economic role of the state, capitalist planning, relations between the colonial powers and the colonies, and the peaceful transition from capitalism to socialism. Yet, surprisingly, he was silent about his long-range predictions of economic depression and his challenge to the Leninist theory of the inevitability of war. This silence, perhaps, may have been the reason he and his adherents were again denounced at a March session of the Economics Institute for their "half-way" recantations.

Implications of the Varga Heresy

28. The Varga case is significant not only because it illustrated how the Party mobilized Soviet intellectuals behind its programs, but also because it involved issues that were intimately related to Soviet policy. The outlines of these issues may be discerned in the controversy over Varga's views. According to Varga, the Soviet leaders would be confronted with the following prospects in the postwar period:

a. Given the likelihood of a stabilization of capitalism, the capitalist states would be able to remain powerful and to preserve a united front for a long period of time. Consequently, any future war would not be between the capitalist powers, but between them and the USSR;

b. In the highly industrialized capitalist countries, the class struggle upon which the Kremlin relied for the expansion of its power would be modified and slowed down. In fact, in the major countries of Western Europe it was already being replaced by a struggle for a share in the participation by the working class and bourgeoisie in the direction of the state, as Varga had predicted;

c. In the colonial countries, the improvement in their economic and political status, the beginning of industrialization, and the growth of the native bourgeoisie would reduce the prospects for successful revolutionary activity for many years;

d. With continued economic solvency in the capitalist world and the gradual transition toward socialism through the various nationalization and welfare programs sponsored by the working class, the changing capitalist world might develop an ideology that could compete with Communism for universal allegiance by offering both economic security and political freedom. Such a development might eventually have adverse repercussions within the Soviet system. In sum, implicit in Varga's estimate of the capitalist world was a strong argument in favor of continuation of the tactics of the wartime coalition, at least on a level of militant competition, rather than support for the tactics of the "cold war" that were actually adopted.

29. The peculiar treatment of the Varga heresy--the toleration of wide divergencies between articles on capitalism and the Party line, the long delay in silencing the Varga school, and the continued failure to discredit Varga completely and to remove him from influential positions even after he had refused to recant--suggests the existence of high-level uncertainty, and probably even dissension, over the issues raised by Varga and their implications for Soviet policy. Despite the progressive tightening of ideological discipline after the Stalingrad victory and the increasing stress on the dangers arising from capitalism, some economists of the Varga school continued up to the end of 1947 to write books and articles in the spirit of the wartime coalition. Many of these works, particularly those on postwar economic developments in the UK, were fairly objective analyses, reflecting thinly disguised admiration for the developments then taking place in the capitalist economy. In view of the pattern of Soviet political behavior, the continued expression

of such views late in 1947 and, particularly, Varga's stubborn refusal* to recant under pressure in 1948 suggest that elements existed within the Soviet leadership which were desirous either of continuing on terms of friendship with the West, or at least, of temporarily delaying the adoption of the revolutionary "cold-war" tactics that were to culminate in the Korean war.

30. Although firm evidence is lacking, there is some information indicating that differences over capitalist economic trends and the tactics to be employed may have figured in the postwar jockeying for power in the Soviet hierarchy. Molotov is reported to have been at odds with Mikoyan over the question of Soviet participation in the Marshall Plan.** Molotov is said to have argued that the Marshall Plan would fail because of the imminence of a depression in the US and opposition by British imperial and European national interests. Mikoyan allegedly claimed that Molotov underestimated the economic stability of the US and ignored the changes in the US economy begun under the New Deal. Mikoyan is rumored to have believed that capitalism might be capable of perpetuating itself as a system for a long period of time and that the USSR could not exist indefinitely and build an adequate economy without trade with the West. Whether arguments like these actually occurred cannot be confirmed, but they do seem plausible in light of the treatment of the Varga heresy and the circumstances surrounding Soviet bloc rejection of the Marshall Plan.

31. In the absence of reliable information, some speculation about the policy implications of Varga's views may be permissible. If elements did actually exist in the Soviet hierarchy who shared Varga's views and desired the continuation of the tactics of the wartime coalition, then they probably would have held that Soviet interests could be advanced more successfully through Soviet governmental policies than through foreign Communist parties. They would have argued that the prospects for successful Communist subversion in

*Ruth Fischer, an old-time German Communist and an acquaintance of Varga, has stated that given Varga's strong conformist temperament, his behavior would be inconceivable without high-level support.

**For a more detailed treatment of this subject, see the CAESAR studies.

Western Europe were dim, and that revolutionary Communist action would alienate the rising native bourgeoisie in the colonial and underdeveloped areas. They would have held that Soviet policy should be directed at the national interests of the great powers, at playing one nation against another. They would have maintained that the specter of revolution, coupled with "cold-war" state policies, would frighten the bourgeoisie to unite and defend itself against the common danger. In sum, the policies implied by Varga's estimate of the capitalist world were, to a large extent, similar to those finally accepted by Stalin in his last years and pursued with such unprecedented vigor by his successors.

32. The fate of the Varga heresy and the subsequent course of Soviet policy suggest that expectation of an early and devastating capitalist economic crisis may have figured largely in the decisions reached by Moscow in the early postwar period. It would be mistaken, however, to exaggerate the importance of this particular factor, since the formulation of Soviet policy, like that of any national power, undoubtedly reflected the inter play of a complexity of domestic and foreign considerations. If the Kremlin had actually arrived at a firm decision that a capitalist crisis was imminent, it is highly unlikely that Varga would have been permitted to express his contrary views for so long a time. In the final analysis it was the pressure of events, in the form of the Western reaction to Soviet power and the worsening of East-West relations, that decided the fate of Varga's ideas and set the course of Soviet policy.

IV. SOVIET VIEWS OF CAPITALISM: 1948-1952

The Deformation of Soviet Economic Scholarship/Intelligence

33. To the student of intellectual history, the period between Varga's intellectual demise and Stalin's death was a period profuse with myths, but devoid of ideas. With the official disavowal and condemnation of Varga's views, Soviet analysis of the course of capitalist economic developments became heavily biased and distorted by the rigid requirements for ideological conformity imposed by the Soviet leadership. As a consequence, what was formerly serious scholarly analysis of the capitalist economy became transformed into academic propaganda conforming to the predetermined pattern of Marxist dogma.* The thesis of an approaching economic depression in the US and its development into a world economic crisis of major proportions became a staple of academic propaganda. Since it is highly doubtful that the Soviet leadership after 1949 ever seriously believed in the imminence of a major capitalist depression, this thesis was obviously designed for domestic and foreign propaganda purposes--to reassure the Soviet people that their economic status was better than that of Americans and to warn the allies of the US that too close economic dependence on the US with its impending economic crisis would have disastrous effects for them.

34. Although the patently propagandistic line adopted by the Soviet leaders and their academic propagandists on capitalist economic developments probably had little influence on Soviet policies in this period, the developments in this propaganda, and particularly the problems attending its implementation, are worthy of attention for several reasons. In the first place, the variations in the propaganda line cast some light on the changing Soviet estimate

* A list of the published works of Varga's Institute in 1946 and 1947 and those of the Economics Institute in 1953 is found in Appendix VI. A glance at the titles alone should clearly illustrate the deformation of Soviet scholarship. The appendix also contains a sample list of typical themes for dissertations on capitalism prepared by the Institute in 1950.

of international realities and on the subsequent tendencies toward change in Soviet tactics. Equally important, the problems arising from the reorganization of Varga's Institute, the difficulties experienced by professional economists in filtering their findings through ideological lenses, and the general deterioration in professional activity were such that it is highly questionable whether the Soviet leaders could have gotten an accurate appraisal of foreign economic developments in this period, even if they had desired one. Thus despite constant Party demands for "serious," "original," and "theoretically daring" studies on capitalism, most Soviet economists, fearing the consequences of error, were content to reduce their work to rehashing doctrinal themes, repeating high-level pronouncements, or issuing propagandistic articles and lectures. The few who dared to report economic truth about the outside world invited professional disaster.

35. The 1947 reorganization and the constant pressure of ideological conformity left the research base of Soviet analysis of capitalism in a continued state of disorganization throughout Stalin's lifetime. Throughout this period the director of the Economics Institute, Ostrovityanov, and his deputies, V. P. Dyachenko and F. V. Samokhvalov, were to complain bitterly that few scholarly works on contemporary capitalism were being published, the majority of works being "educational or propagandistic in function." In 1948 no scholarly works on capitalism were published by the Economics Institute and in 1951 only one work was released. As late as 1951 it was reported that the vital Sector on Capitalist Business Conditions did not produce a single work "because qualified personnel could not be found for the analysis of the accumulated material." Apparently the discovery a year earlier of a cell of "bourgeois objectivism" in the Institute had not aided the procurement of competent personnel! Thus it is not surprising that in late 1952 and early 1953 there were rumblings of change in the Institute and calls for a "decisive reorganization."

36. Faced with such difficulties, many Soviet specialists spent their time writing scholastic essays on Marxist doctrine and attempted to avoid the important questions of contemporary capitalist development, apparently in the hope that the Party literary hacks would treat these questions. The Party reacted to these diversionary maneuvers by charging in Culture and Life (21 October 1950) that the journal Problems of Economics, successor to Varga's journal, had devoted only one superficial review in 1949 to the development of the "latest economic crisis" of capitalism. It is

worth noting that V. Leonidov, author of the criticized article, (Prob. of Econ. No. 9, 1949) had compared the US recession of late 1948 with the great 1929 crash, but had carefully refrained from setting a date for the heralded big depression. As a consequence of this criticism, the editorial board of the journal, which had remained intact since early 1948, suffered in early 1951 the first of its many reorganizations.

37. Perhaps the best illustration of the deteriorating climate for serious study was the fate that befell L. S. Mendelson's book in 1950. Treating a subject far removed from current events, Mendelson had written a highly theoretical and voluminous Marxist history, 19th Century Economic Crises and Cycles (1949). Although this work had been prepared largely before the war under the aegis of Varga's Institute, it had been so carefully worked over by the staff of the Economics Institute that its final draft had been warmly praised by Ostrovityanov in 1948. Nevertheless, in 1950 Pravda (29 September) discovered "serious errors" in the work and sharply criticized its author, as well as its editor, P. K. Figurov, and reviewer, F. I. Mikhalevsky. Mendelson, in an apparent attempt to describe more or less objectively certain features of capitalist development, had erred in portraying the progressive, rather than the negative, side of capitalism. In the witch hunt that ensued, Figurov was found to have repeated errors similar to Varga's on the nature of the capitalist state in two pamphlets written in 1948 and 1949, and he was removed from his Institute post as head of the Sector on Imperialism. Despite three years of ideological disciplining, some Soviet economists still did not fully understand that they were meant to be propagandists for the regime and nothing else.

38. In a larger sense, the events of this period point up not only the pitfalls facing Soviet economists studying capitalism but also the serious crisis facing Marxist doctrine itself in the USSR. The repeated tendency toward error or heresy by Soviet professionals derived not from their political courage or intellectual perversity but from the failure of the changing elements of international reality to conform to a predetermined mythological pattern. Thus the inherent incompatability "to analyse thoroughly and seriously the processes which occur in the contemporary capitalist economies and to show brilliantly the greatest

advantages of the Socialist system of economy" (Pravda, 10 December 1950) was, and still is, the source of the repeated heresies in official Soviet Marxism.*

"The Approaching US Economic Crisis": Dogma vs Reality

39. Although the thesis of an approaching economic crisis in the US continued to be expounded by Soviet leaders and reflected in Soviet economic writings throughout the postwar period, it received its biggest boost during the US recession of 1948-49. Spokesmen in the Party press asserted that the crisis just begun in the US would shortly embrace the entire capitalist world. Malenkov, making his debut as an October Revolution orator in 1949, completely ignored the gradual upswing in the US business cycle late in the year, and laid far greater stress on economic deterioration in the US than had Zhdanov in 1946 and Molotov in 1947 and 1948. However, while he implied that the US was worse off than it had been on the eve of the great depression, Malenkov did not commit himself on the anticipated date of the arrival of a fully developed depression in the US. The almost complete absence of such references in the October Revolution speeches of Bulganin in 1950 and Beria in 1951 indicates that the leadership had turned its attention to more realistic considerations, the war in Korea.

40. The Korean war and the consequent Western rearmament shattered Soviet expectations, (justified or not) of a major capitalist depression, and produced readjustments in the propaganda line of an approaching economic crisis. Shortly after the outbreak of the war, Stalin's old thesis of the effects of war on the capitalist economy was resurrected and adopted as the official line:

"What does placing the economy of a country on a military footing mean? It means giving industry a one-sided, military direction; developing to the utmost the production

* For more recent examples: (1) In 1951 Pravda (29 August) criticized a leading Soviet economist on Japan, Ya. Pevzner, for favorably treating the US-sponsored postwar agrarian reform in Japan in his book, The Monopoly Capital of Japan During the Second World War and After, ed. by K. Popov (1950); and (2) In November 1952 at a session of economists, one A. M. Alekseyev criticized a collective work of the Institute, The Situation and Struggle of the Working Class of Western Europe (1952) for not exposing the bourgeois theory that taxes tend to equalize the incomes of all classes in bourgeois society.

of goods necessary for war and not for consumption by the population; restricting to the utmost the production and, especially, the sale of articles of general consumption by the population, and confronting the country with an economic crisis."

Just as Soviet spokesmen had argued that the artificial stimulation of the Marshall Plan and the high level of early postwar military production had temporarily postponed the expected US crisis immediately after the war, they continued predicting after 1950 that Western rearmament would only temporarily delay the onset of a new, more disastrous capitalist depression.

41. The task of Soviet academic propaganda after 1950 was to prove this dictum laid down by Stalin and to adhere strictly to the Party demand of making every work on capitalism an indictment. Such articles as A. Bechin's in 1951 (Prob. of Econ. No. 3) mechanistically spelled out the consequences of militarization: destruction of the process of capital formation; reduction of nonmilitary production and personal consumption; enrichment of monopolies; inflation and reduced purchasing power; increased national debt and insolvency; concentration of production and ultimate isolation of the monopolist warmongers; and, finally, revolutionary action under working class leadership. Serious scholars like I. A. Trakhtenberg, the leading Soviet expert on capitalist finance and a fellow heretic with Varga, wrote in 1952 (Prob. of Econ. No. 10) that the history of the capitalist business cycle demonstrated that each successive crisis became longer and more destructive while the periods between crises became progressively shorter, thus suggesting that the approaching crisis would be the most destructive in history.* Other economists, including Varga, wrote similar propagandistic rot. However, even in their efforts to distort the facts and prove that the Western masses were suffering unbearably under the burders of rearmament, these academic propagandists gave inadvertent testimony to the growing power of the Western coalition, as evidenced by the substantial decline in the doctored Soviet figures on US unemployment, from 18 million in 1949 to 12 million in 1953.**

* He repeated this observation at a session of Soviet economists in January 1953 convened to discuss Stalin's last article.

** For these "unemployment" estimates, see the articles by Varga in Pravda (19 March 1950) and Ostrovityanov in Prob. of Econ. No. 12, 1953.

The most precise prediction of the timing of the collapse of capitalism and the complete victory of Communism was that by G. V. Kozlov in 1952 (Prob. of Econ. No. 4)--the second half of the 20th century!

42. Although Soviet predictions of the impending doom of capitalism became increasingly distorted and strident during the "hate-America" and "germ warfare" campaigns of 1951 and 1952, there were signs in both Soviet propaganda and policy of a different Soviet estimate of the world situation and a reapproasial of Soviet strategy. As 1951 ended, Soviet propaganda began to lay heavy stress on disunity within the Western coalition. While such exploitation of capitalist "contradictions" was a time-honored Communist tactic, Moscow now began to extend the list of weaknesses it had been stressing to include those between the US and other Western governments. Heretofore, it had largely hewed to the Cominform line that the Western European governments, however reluctantly, had been accepting US dictates. Indeed, Molotov, in his Pravda article (21 December 1949) commemorating Stalin's 70th birthday, had pointed to the two camps, one headed by the USSR, the other by the US and Great Britain. Also, in contrast to Beria's October Revolution speech in 1951, Pospelov in the following year dropped the thesis of a more sharply defined polarization between the two camps and instead stressed the growing contradictions in the West and the inevitable economic crisis. While Soviet propaganda on capitalism in this period failed to reflect the facts of international life, Soviet policy was apparently beginning the agonizing readjustment to the realities of capitalist economic stability, military power, and political unity.

43. Simultaneously with the increased stress on the "disunity" theme, another development reflecting a growing awareness of capitalist economic strength was the re-emergence of emphasis on East-West trade. During the six months preceding the opening of the Moscow Economic Conference in April 1952, Soviet propaganda sounded a strident crescendo hailing the mutual advantages of normalizing world trade relations. Although this propaganda had the obvious aim of wrecking the Western trade controls program and little actually resulted from it during Stalin's lifetime, the bountiful propagandistic proposals of Nesterov, the president of the Soviet Chamber of Commerce, to Western Europe and the underdeveloped areas of Southeast Asia and the Middle East did foreshadow the direction in which high-level Soviet thought was heading. Even before Stalin's death Soviet trade representatives at the ECE meeting in Geneva were talking in practical terms,

in marked contrast to their propagandistic performances in previous meetings. Following the pattern set by Lenin in the autumn of 1920 and repeated by Stalin before the XIVth Party Congress in 1925, the beginning of serious trade overtures to the capitalist countries reflected a recognition of the temporary stabilization of capitalism and an equilibrium in the world balance of power. Soviet policy appeared to be responding to Lenin's dictum of 1920:

> "We must be clever enough, by relying on the peculiarities of the capitalist world and exploiting the greed of capitalists for raw materials, to extract from it such advantages as will strengthen our economic position--however strange this may appear--among the capitalists."

Stalin's "Economic Problems of Socialism"*

44. As 1952 came to a close, the Soviet view of the capitalist world economy was set down authoritatively in Stalin's article Economic Problems of Socialism in the USSR. This work was unique only in the sense that the high priest of Communism had formally woven into one cohesive fabric all the main threads of orthodox thought that had been shaping during the entire postwar period. The ideas developed by Stalin--the breaking away of the "People's Democracies" from the capitalist system, the disintegration of the single world market, the deepening of the crisis of the world capitalist system, and the inevitability of wars between capitalist countries--had all been formulated and discussed in the debate over Varga's book and afterwards. Thus Stalin's article, carrying all the force and authority of an utterance ex cathedra for Communists throughout the world, formalized Soviet views that had been crystallizing for some time on the contemporary world situation and the tasks of Soviet policy.

45. The major premise of Stalin's analysis of the world situation was that the tide of Communist territorial expansion was ebbing temporarily as a result of the partial stabilization and consolidation of capitalism. By pointing to the present limited goals of the Communist "peace" movement in non-Communist countries, Stalin's article, in effect, reflected a clear recognition that the opportunities for the

* Since Stalin's article has been examined in detail in many publications, it will be treated here in only the most general terms.

immediate overthrow of capitalism by subversive action of Communist Parties or by armed aggression had narrowed considerably.* At the same time, the emphasis on the internal and external "contradictions" in the capitalist world system clearly placed the development and aggravation of the capitalist economic crisis and the struggle among capitalist states in the indeterminate future. The tone of the article was essentially one of "ultimate" events and of situations in the contemporary world that would not continue "forever and ever."

46. However, although Stalin recognized the elementary realities of capitalist economic stabilization, political unity, and military strength, he denied their permanency. His call to foreign Communist parties to pick up the banners of "bourgeois democratic rights" and "national independence and national sovereignty" was designed to exploit separate national interests against the common interests of the armed coalition led by the US. At the same time, it set the tune for a return to the tactics of diplomacy by the USSR. Moreover, Stalin's concentration on the problems of the capitalist world market reflected a belief that Soviet bloc economic policy could, through the imaginative and selective application of its growing economic power, affect the course of economic and political development in the committed and uncommitted areas in the East-West struggle. Perhaps Stalin even imagined that he could achieve through Communist economic fiat that which Marxist "laws" of social development had failed to achieve, the ultimate economic collapse of capitalism.

47. In reaffirming the validity of Lenin's thesis of the inevitability of wars between the imperialist states and stating that the contradictions between the capitalist states were greater than the contradictions between them and the Soviet bloc, Stalin provided an official answer to the challenge raised by Varga four years earlier.** Stalin's resort to the mythology of Marxist orthodoxy was intended to still the fears

* This was in marked contrast with the revolutionary goals which had regularly been announced in the Cominform journal, For A Lasting Peace, For A People's Democracy, since 1947. See in particular the article by Maurice Thorez in the issue of 16 December 1949.

** Significantly, Vargo praised Stalin's work and recanted for his ideological error at a session of the Economics Institute in November 1952.

that had been raised in the minds of rational men over the implications of modern technological progress and the doubts that had developed about the dangerous course of Soviet policy in the postwar period. The inadequacy of Stalin's answers about international realities reflected the bankruptcy of Marxist orthodoxy and formed the troublesome legacy of his successors.

V. POST-STALIN SOVIET VIEWS OF CAPITALISM: 1953-1955*

Varga's New Book: Stalinism In Flux (Heresy Re-Visited)

48. The main stream of current Soviet thought on the capitalist world economy has continued to follow the course established during Stalin's last years. Soviet spokesman have continued to point to the approaching economic crisis in the US and to the disastrous consequences of the arms race on the economies and peoples of the capitalist world. With but one exception, they have failed to fix a firm date for the onset of the new crisis, and have by default projected such forecasts into the indeterminate future (e.g., Kaganovich's recent October Revolution prediction of the total victory of Communism in the 20th Century). They have continued to depict the economic plight of the "exploited" workers and peasants of the industrialized and colonial countries in the darkest colors, making such temporary adjustments as are required by the ephemeral interests of Soviet policy or, more recently, the "spirit of Geneva." Nevertheless, despite the force and direction of the main stream, there have developed, in the backwaters and eddys of Soviet thought since Stalin's death, certain movements of ideas that almost certainly reflect more accurately the underlying realities of current Soviet thinking on capitalism.

49. Varga's latest book, The Fundamental Problems of the Economics and Politics of Imperialism (after the Second World War) (August 1953), represents a good example of both the main stream of Soviet thought on capitalism and its conflicting currents. This book, which was prepared largely during Stalin's lifetime but which appeared after Stalin's death, derives its importance from the fact that it was widely acclaimed in the USSR as the "first outstanding comprehensive work on the postwar economics and politics of imperialism." As the only major Soviet work on capitalism spanning both the Stalinist and post-Stalinist periods, Varga's book is instructive because it pointedly reflects the myths of the former period and suggests the problems of the latter. In Varga's book, certain important questions of capitalist economic development which in Stalin's time were brushed off propagandistically have for the first time been treated as serious subjects for inquiry.

* The post-Stalin modifications in Soviet thinking on the "inevitability of wars" thesis will not be considered in this section, because they have received adequate treatment elsewhere.

50. Varga's most recent work, as a ridiculous caricature of capitalist economic development, represents his complete professional submission to the Party criticism of his early postwar treatise. Following the dictates of orthodoxy, the bulk of Varga's book reflected not only all the directives and themes of postwar official Soviet thought on capitalism culminating in Stalin's article, but also some distorted nuances of his own. For example, he so excessively exaggerated the Marxist concept of "colonial exploitation" (e.g., treating western and southern France as "internal colonies" of northern France, and the agricultural and mining states of the US as "colonies" of various monopolies!) that he even shocked the professional sensibilities of certain Soviet economists (Moscow Univ. Herald No. 4, 1954). Moreover, following the then held Party line on India, he treated the Congress Party leadership in the darkest colors, attacking it as representing the reactionary native bourgeoisie and the feudal landowners. By early 1954, after the line on India had changed, his critics were to find this view "somewhat simplified" (Prob. of Econ. No. 5, 1954, and Kommunist, No. 3, 1954). In sum, the bulk of Varga's book is a tribute to Stalinism and represents the apogee of Soviet academic propaganda on capitalism.

51. Nevertheless, while Varga has become a skilled mouthpiece for his Kremlin masters, he has also remained a good economist with perhaps a better understanding of capitalist economic processes than any other Soviet intellectual. He demonstrated this in the conclusions to his book, which were undoubtedly written after Stalin's death, by raising an issue that has since become the subject of lively debate and the central problem of current Soviet economic thought on capitalism - The question of the effects of rearmament on the capitalist economy. This question has been at the root of all the deceptively scholastic debates among Soviet economists over the chronological delineations of the postwar business cycle and its various phases. What these men have been actively attempting to determine in their theoretical controversies over the dating of cycles is the relative importance of military and nonmilitary factors in the cyclical rises and falls.

52. Varga challenged the oversimplified Stalinist proposition that capitalist rearmament leads directly and immediately to a reduction of nonmilitary production and personal consumption, a description applying more accurately to the situation in the Soviet economy where full employment of resources is planned. Varga declared that military production under capitalism, particularly in the US, supplements, rather than competes with, the other industrial sectors, and that it leads to a

temporary expansion of total industrial production as a result of bringing into employment productive forces that had not previously been utilized. While contemporary Soviet economic thought has accepted the thesis that rearmament leads to a temporary upswing in the business cycle, deforming its development, it has denied Varga's view that military production supplements industrial production.* Acceptance of the latter concept would imply not only a fundamental revision of orthodox Marxist thought on the structure of the capitalist economy but also a negation of the theory of the destructive consequences of rearmament on the capitalist economic system.

53. In effect, what Varga had done was to introduce once again a heretical equation into the Marxist mythological cosmos, by suggesting this time, in the worlds of his critics, "that the internal forces of capitalism and its laws have somehow ceased to operate and that the development of capitalism now is determined by artificial military-inflationary factors" (Kommunist No. 3, 1954). Surprisingly, despite his obvious heresy, Varga has not been officially criticized, and open debate--the first real one in many years--has continued to rage in the Soviet economic community right up to the present time.

54. Varga's critics have charged that he is not alone in holding such views, and, while no one has openly embraced them in principle, there have been tacit admissions of support. Varga's former associate, I. A. Trakhtenberg, writing in the June 1955 issue of Kommunist at a time when the US economy was enjoying an unprecedented economic boom, stated that while the general "laws" of capitalist development were immutable, "it would be incorrect to ignore the significance of military-inflationary factors, which can stimulate revival, delay the eruption of a crisis, change the course of a crisis, and change the form, sequence, and prospects of a crisis." He then went on to say, quite correctly, that only in the final analysis would rearmament lead to a reduction of living standards because in the short run "the inflationary method of accumulating monetary resources through the budget temporarily creates additional purchasing power. As a result the general purchasing

* Along with many others, A. Bechin, author of the much publicized prediction in September 1955 of an expected US crisis of overproduction "in the next few months" has denied that military production supplements over-all industrial production, but, significantly, he was not referring to the US economy in this instance. (Prob. of Econ. No. 9, 1955)

power increases, which stimulates the growth of production." This completely undermines the official Soviet Marxist rot about the "law of the absolute and relative impoverishment of the working class under capitalism."

55. The current theoretical debate about the effects of rearmament on capitalism is significant from a practical standpoint because it clearly demonstrates that professional Soviet economists, like their less pretentious Western counterparts, are in a quandary over the precise economic implications of a high level of arms production. Moreover, in contrast to what passed for economic research under Stalin, when scholars handled difficult problems by dusting off a few quotations from the Marxist classics, Soviet economists now are beginning to look closely and seriously at this problem and others like it. This debate also illustrates the crisis within Soviet Marxism, in the sense that Soviet professionals must repeatedly and deliberately circumvent the bankrupt doctrinal tenets in order to explain the complex phenomena of modern industrial society. Still more important from a political standpoint, the central focus of Soviet economic thought on what their propagandists call the "militarization of the Western economy" appears to reflect the Kremlin's long-held conviction that the long-awaited capitalist world depression has been postponed only by the high level of Western arms production. The current Soviet view of capitalism has thus posed a central problem for Soviet diplomacy: how to force a reduction in Western arms production without sacrificing vital Soviet interests?

"The Approaching US Economic Crisis:" A New Twist?

56. The end of the war in Korea and the prospect of a reduction in the Western arms build-up appeared to enliven real Soviet interest in the capitalist world economy and restore conviction in the long-inactive hopes for the approach of a new, severe US economic crisis. During the final stages of the long-drawn-out armistice negotiations, Soviet spokesmen began to react optimistically to the first signs of fluctuation in the US business cycle in the second quarter of 1953. Appearing closely on the heels of his Pravda article of 24 May, which had noted the signs of trouble in the US economy, Varga's book carried the following conclusion:

> "The economic situation of the capitalist world in 1952 practically demonstrates what has always been clear to Marxists: production for war cannot solve the problems of the market--the problems of sale. The capitalist economy clearly stands on the eve of a new economic crisis."

On 18 October and again on 28 January 1954, Varga wrote articles in Pravda in which he first observed that the US was heading "straight for a crisis of overproduction" and later declared that the anticipated crisis had already begun.

57. Although other Soviet spokesmen picked up his cue and expanded it much further, Varga carefully avoided pinpointing the precise role the then developing US "cyclical crisis" would play in the "ever-deepening 'general crisis of capitalism.'" The inclination to recognize the complexities of capitalist economic processes, to ascertain and examine scientifically all the facts, whether favorable to Marxist doctrine or not, and to submit to original analysis, seems characteristic of Varga, in contrast to the distorted dogmatic interpretations of his contemporaries. For example, the economist A. Kats wrote an article in May "proving" how American economists were falsifying unemployment statistics in order to cover up the deteriorating conditions. He "estimated" US employment at roughly 21 million, including 11 million fully unemployed, 6.5 million partially unemployed, and 3.4 million in the armed forces! (Prob. of Econ. No. 5, 1954)

58. If it is true, as seems likely, that as of the end of 1953 the post-Stalin leadership shared Varga's cautious optimism, then they were probably convinced that the West was facing substantial economic difficulties,* but were uncertain concerning their extent, duration, and future implications. It appears almost certain that Soviet policy during the Berlin Conference was not predicated upon an expectation of imminent collapse of the Western economies. An indication of this caution was witnessed in the mid-March 1954 Supreme Soviet election speeches of the Soviet leaders. Their references to the then current capitalist economic difficulties were markedly mild and brief, framed within the standard propaganda context of the struggle between capitalism and socialism and the

* This view was also reflected in the conversations Gunnar Myrdal, Executive Secretary of the ECE, had in early 1954 with numerous Soviet economists. According to the widely circulated accounts of Myrdal's trip to the USSR, many Soviet economists continued to believe that a US depression was inevitable. They also were reportedly very eager to talk about world conditions and to learn about the outside world, first-hand knowledge of which had been almost impossible to obtain under Stalin.

demonstrated superiority of the latter. This was in marked contrast to the lengthy citations characteristic of their 1950 election speeches and the speeches at the 19th Party Congress.

59. A hint of the direction toward which serious Soviet thoughts on relations with the capitalist world were drifting was sounded in Malenkov's election speech and reflected in the field of Soviet foreign economic policy. Malenkov's brief, almost parenthetical, remark about making the trademark "Made In The USSR" stand for quality on the world market and the program announced earlier for increasing grain surpluses for foreign exports, as well as for other purposes, suggest that the Soviet leaders may have intended to develop commercial relations with the West on a fairly long-term basis. In contrast to Stalin's sterile early postwar policy of economic isolation and watchful waiting for the impending capitalist crisis, the policy of his successors is to employ trade as both a source of needed goods and a political weapon, whether or not the long-anticipated capitalist depression develops.

60. Although Varga predicted, in an English-language broadcast to American audiences in April 1954, that "a terrible calamity like the great crash of the early thirties was approaching with increasing speed," the flight of Soviet propagandistic fancy soon settled down to reality as the US cycle ceased to move downward and began its steady upward climb late in the year. From mid-1954 up to the present time Soviet spokesmen, with one exception, carefully avoided setting a date for the impending US crash, and instead turned characteristically to the themes of exploitation, misery, and bloodshed under capitalism. When the economist S. Vygodsky denied in April 1955 that the "factor of militarization was already exhausted and that military-inflationary business conditions were not vigorous enough to delay the movement of the crisis," it seemed that Soviet thought on the capitalist world economy had soberly resigned itself to the fact of foreign economic prosperity.

61. However, in September 1955, a strange note was sounded in a professional journal by the economist, A. Bechin, a relative newcomer among Soviet specialists on capitalism.*

* Bechin did not participate in any of the important postwar economic conferences in the USSR dealing with the world capitalist economy. See Appendix IV for a table listing those conferences.

In an article in Problems of Economics, characterized by high professional competence, relatively little propaganda, and reliance on official US sources, Bechin predicted that a "world economic crisis" similar to the great depression of the 1930's "would soon begin." He added, "It is quite possible that its beginning will be marked by a fresh curtailment of production in the US, which can be expected in the next few months." This represents the most clear-cut prediction of any Soviet economist in recent times.

62. Bechin argued that those factors that had staved off crises in the US in 1945 and 1949--increased exports, rearmament or "militarization," and replacement and expansion of fixed capital--were now being increasingly offset by other countervailing factors--increased unemployment, the "pauperization of the masses of small farmers," increased federal, state and private debt, and growing inflation. Moreover, these difficulties in the US economy were being exacerbated by growing competition from Western Europe and Japan, the national economies of which had already reached and surpassed their prewar levels of output, as well as by the general narrowing of the capitalist world market following World War II. While drawing his predictions in fairly sharp terms, forecasting that the next world capitalist business cycle would probably be more severe than that of the 1930's, Bechin ended his article on a pragmatic note by calling for further serious investigation of the subject.

63. Bechin's treatment of the role of "militarization" in the approaching depression, and particularly its effect on the economies of different capitalist countries, is important both for what it included and what it omitted. On the one hand, like other Soviet economists, he denied in general the theoretical point raised by Varga that military production is a unique form of production supplementing total industrial production. He adopted the standard Soviet line that "militarization," while temporarily stimulating growth in military and related production, leads to "impoverishment of the masses" and a growing disparity between total production and consumer demand. However, it is clear that he was referring to countries "which have no surplus of production capacity," i.e., Western Europe and Japan but not the US. He treated "militarization" as the primary source of postwar US industrial moderization and capital expansion. Hence, Bechin remained theoretically orthodox, with the exception of his treatment of the US economy, but in effect he plugged the same practical course as Varga, Trakhtenberg, and others. On the other hand, although he argued that there was

little prospect for expanding US exports and capital investment, he significantly failed to mention the future outlook for military production. Hence, it is reasonable to infer from Bechin's healthy regard for the stimulating economic effects of US military production that he predicated his estimate of an approaching economic crisis in the United States upon an assumption that defense expenditures would soon decline.

64. Moreover, the heavy stress placed by Bechin on the importance of foreign trade to the economies of Western Europe and Japan indicates a belief that the capitalist world market will in the future become the critical arena conditioning the development of the long-anticipated world economic crisis. In echoing Stalin's theme on the disintegration of the single world market, Bechin focused attention on a field in which Soviet policy has manifested active interest since Stalin's death. Stalin's successors may be more convinced than the old despot that economic policy can be used to reduce the areas of Western influence and even to exacerbate the internal difficulties in the capitalist economies.

65. There are some grounds for believing that Bechin's views and predictions may reflect the thinking of influential elements in the Soviet hierarchy, even though they have not been picked up by Soviet propaganda media nor echoed by Soviet spokesmen. Two of his previous articles in Problems of Economics (April 1953 and July 1954) on domestic economic policy have acted as bellwethers of shifts in Soviet policies and propaganda.* In the first article, which preceded by four months Malenkov's announcement (8 August 1953) of the "new course," he intimated that Marxist theory clearly permitted the bringing together of the rates of industrial growth of Group I (heavy industry) and Group II (consumer industry) in the USSR. In the second article, written a full six months before Shepilov's spectacular Pravda blast (24 January 1955) against the advocates of priority for consumer goods, Bechin criticized, on theoretical, ideological, and political grounds, those economists who were arguing that the growth rate of Group II should exceed that of Group I during the entire period of

* The intelligence contained in these articles only serves to emphasize the value of timely, accurate, and systematic exploitation of Russian-language publications, particularly the professional journals.

transition to Communism. A further indication of Bechin's high status among influential Party circles may be inferred from the fact that he was chosen by Pravda's editors, on 13 May 1954, to answer a reader's questions on the socialist economy.

66. In view of the possibility that Bechin's predictions represent the views of influential elements in the Soviet hierarchy, some speculation, and it is clearly only this, about their possible policy implications may be warranted. Expectation of the outbreak a great world depression triggered by a decline in US defense outlays may be one of the chief reasons for the unrestrained confidence now being displayed by the Soviet leaders. They may calculate that the outbreak of such an economic crisis in the US during a presidential election year, when policy is normally subordinated to politics, would find the US leadership incapable of coping with the situation decisively. They may also reckon that the outbreak of such a crisis might lead to the strengthening, and even the possible victory, of isolationist, ultranationalistic forces, and that the US, following the pattern set during the early New Deal years, might be forced to cut back its foreign economic and political commitments.* Thus the possible existence of such calculations by the present Soviet leaders, as well as the confidence gained at Geneva that the West would not use force to settle outstanding international disputes, may in part explain the recent actions of the Soviet leaders in peddling discontent in the uncommitted areas of the Near and Middle East.

67. If some such calculations are really present in current thinking of the present Soviet leaders and actually form a basis for their behavior since the summit conference, then the failure of the anticipated depression to develop and any serious setbacks suffered by Soviet diplomacy might in time lead to differences among the leaders over the situation in the West and its implications for Soviet policies, as well as to possible changes in the current leadership itself involving the emergence of more compromising, less intransigent elements.

68. It is possible that such high-level differences over the economic stability of the West and the various alternatives open to the USSR already exist and may be reflected in

* In the February 1954 discussion of his book, Varga stressed the importance of the economic basis of isolationist tendencies in the US which, in his opinion, "in certain political situations can be useful to the Soviets." (Moscow Univ. Herald No. 4, 1954)

Mikoyan's candid remark about the changes in capitalism since Marx at the recent Indonesian National Day reception in Moscow on 17 August.* Possibly such specialists as Mikoyan and Saburov, who have been to the United States and who probably have a more realistic view of the world economic situation, believe that any adventuristic policies predicated on the imminent collapse of capitalism might lead to dangerous, unintended consequences, particularly in the explosive Middle East. They may regard such policies as threats to the economic stability and national security of the Soviet state.

69. The apparent acceptance by the present Soviet leaders of the military implications of the atomic stalemate has raised to the forefront the political and economic aspects of international power. Whatever the different views now held by the Soviet leadership about the stability of the capitalist world economy, their policy implications seem to lead to the same practical conclusion under present world conditions: the application of national political and economic power to strengthen the Soviet state, destroy the armed Western coalition, and remove Western influence from the uncommitted areas of the East-West struggle. The prevention or outbreak of a major economic depression in the West would not only affect the balance of world power but also determine the choice of tactics to be employed by the Kremlin in the pursuit of its objectives. Signs of economic weakness in the West, real or imagined, could conceivably lead to major miscalculations in Soviet policy, as well as to high-level differences over alternatives open to the Kremlin.

Rebuilding the Research Base: The Dilemma of Planned Change

70. Since Stalin's death the forces for change in the USSR which during his lifetime were working deep beneath the base and superstructure of Soviet society have gradually, though intermittently, moved closer to the surface. At times, these forces, impelled by the aspirations of the Soviet people for intellectual truth and social justice, have advanced beyond the limits imposed by the regime, only to be forced back into line. At other times, the regime, desirous for purely practical reasons of repairing the damage to popular morale and professional activity incurred under Stalin and of exploiting the "creativity of the masses," has itself promoted the course of change and has even vacillated over establishing its proper limits. In a certain sense, the present period of Russian history may be viewed as an experiment in which the regime has been forced by circumstance

* This candid statement lends credence to the reports in 1947 that Mikoyan, among others, favored Soviet participation in the Marshall Plan, on the grounds that capitalism could muddle through indefinitely and the USSR could see the foreign credits.

to seek a new modus operandi in the relationships between state and society, one which gives greater play to group and individual interests without affecting the essentials of state power. The outcome of this experiment will probably depend not only on the degree of success enjoyed by the regime in achieving its goals, but also on developments outside the range of Soviet power.

71. A series of developments in the field of Soviet research on capitalism have reflected the spontaneous outbursts of change and the regime's efforts to control and direct them into channels serving its interests. The discussion over Varga's latest book in February 1954 provides a good illustration of the forces currently at work in the USSR. The atmosphere pervading this discussion, unlike that prevailing under Stalin, was serious, scholarly, and calm, even though Varga had raised a specter of heresy on a vital point and it had received support by several speakers. Moreover, the unusual behavior of one I. G. Blyumin pointedly emphasized the changing climate of opinion. Blyumin, a Professor of Economics at Moscow State University, had risen to prominence in the Economics Institute for his notorious hatchet-work on the bourgeois political economists, Keynes, Schumpeter, etc., and their inadvertent counterparts in the USSR, the Varga school of the early postwar period. Yet at this session he openly subscribed--he was criticized for so doing--to the position of Ya. A. Kronrod (Prob. of Econ. No. 1, 1954) that nonmilitary factors were no less a cause of postwar US prosperity than the "militarization" of the US economy. When even Blyumin turned his mind to serious problems, he too came up with heretical answers. How the worm had turned!

72. The recovery of Soviet scholarship from the trauma of Stalinism is nowhere better reflected than in the work of the highly respected academician, I. A. Trakhtenberg. In 1952 he gave evidence of his complete capitulation to orthodoxy by stressing the standard themes: the greater destructiveness of successive economic crises; the "impoverishment of the masses" as the immediate, direct result of "militarization"; and "militarization" as the sole source of capitalist growth, etc. (Prob. of Econ. No. 10, 1952). In 1955, however, he criticized those economists who stated that capitalism was always in a state of crisis, that it no longer had prospects for future growth. (Kommunist No. 9, 1955). His treatment of the recent past was also more objective, pointing out that

only the US economy had experienced a "crisis" in 1953. *(See S. Vishnev in Kommunist No.3, 1954 for contrast.) In general, while keeping well within ideological bounds, Trakhtenberg heavily emphasized the significant effects of concrete and changing conditions on the capitalist business cycle, thus leaving the door open for future heresy.

73. The new approach to the tasks facing Soviet specialists on capitalism is illustrated by the criticism of Trakhtenberg's latest book, The Monetary-Credit System of Capitalism After the Second World War (Moscow, 1954), by the economist A. Alekseev. (Prob. of Econ. No.12, 1955). Trakhtenberg was charged with having treated the question of the effects of inflation on workers' real wages in a declarative fashion without presenting any evidence. Moreover, he was criticized for having failed to argue empirically his position on the important question of the role of military production in the capitalist economy. "Trakhtenberg," according to his critic, "ended his analysis where in fact he should have begun." In other words, he and other Soviet economists are now being called upon substitute analysis for cliché, a noteworthy change in Soviet policy toward professionals.

74. Following in the wake of these changing views, the bureaucratic leaders of the economic community, as well as the Party leaders, have attempted to direct their course and control their pace, lest they should come into open conflict with high policy. In academic discussions, scholarly articles, and speeches--particularly the recent speech by the new head of the Economics Institute, V.P. Dyachenko, (Prob. of Eco. No.10, 1955)--the renewal of deep, serious interest in the capitalist world economy has been widely encouraged. Dyachenko candidly admitted the obvious fact that in Stalin's day Soviet study of capitalism was characterized by ideological slogans, epithets, and rituals, but no scholarly research. Soviet economists have been warned that the progressive achievements of capitalism should not be ignored (especially when the regime is attempting to borrow advanced foreign technique). They have been charged with the need to produce serious studies on such subjects as the market problem, "militarization," the postwar business cycle, etc., and they have even been scolded for ignoring the "variations in the conditions of the workers and peasants" in the different capitalist countries.

* Also in contrast to previous accounts (see the once authoritative textbook Political Economy (1954),p.290.), Bechin stated that the economic "crisis" in 1949 had occurred only in the US and not in any other areas.

75. The regime has attempted to institutionalize these manifestations of intellectual ferment on capitalism by setting up on 19 August 1955 a new body within the USSR Academy of Sciences, the Institute of the Economy of Modern Capitalism. Thus far no details have been released about the personnel and structure of this organization, and no works have appeared under its aegis. However, if this body should attempt to emulate the work of its predecessor, Varga's old Institute, and if Soviet students of the economy of capitalism take heed of the recent pointed criticism of their past achievements, the results should at least prove interesting, and perhaps even dangerous to the protectors of ideological orthodoxy.

76. In anticipation of such possible outbursts of heresy, the Party delivered a warning in the September issue of Kommunist (No. 14, 1955). The important editorial dealing with Molotov's recent ideological error also contained a reference to a heretical work by the economist A. Kats which allegedly emphasized the decay of capitalism leading to its automatic collapse. This work by Kats, "The Disintegration of Capitalism," was the object of severe professional criticism nearly a decade ago, was thoroughly discredited by everyone, and was never released for publication. If the Party was really interested in rooting out heresy, why did it ressurrect a dead work from the distant past and ignore the current important heresy raised by Varga? The Party is apparently attempting to avoid the effects on morale and work of a rigid enforcement of conformity. Instead, the present leadership apparently desires, perhaps to a greater extent than in any previous period of Soviet history, accurate appraisals of foreign economic developments, provided they remain within reasonable ideological bounds.

77. The activity since Stalin's death in the field of Soviet analysis of developments in the capitalist world economy represents a microcosm of the forces at work in the larger arena of Soviet society. Although the majority have continued to follow the dictates of orthodoxy, some Soviet specialists, particularly those of high standing, have bypassed the limits of ideology and skirted along heretical ground in their attempts to report accurately and honestly the realities of the capitalist economy. These heretics have obviously been encouraged by the repeated insistence of the post-Stalin regime for the unvarnished facts about the outside world, in contrast to Stalin's repeated emphasis on rehashing predetermined ideological myths. Moreover, despite criticism by their colleagues, these men have not backed down, nor have they been silenced yet officially.

78. What are the future prospects for the development of Soviet views of capitalism? The current situation, in which the regime tolerates occasional heresy in the hope of obtaining accurate reports of foreign economic trends, may, of course, continue indefinitely. However, the toleration of such professional subterfuge could, in time, undermine the ethos of Soviet society among articulate elements in the population and even debase the ideological appeal of Communism to disaffected intellectuals abroad. The regime could even return to a rigid insistence on orthodoxy, with all its attending adverse consequences on morale and professional activity. Such a policy could have dangerous consequences on its foreign intelligence activities. The last and most difficult course open to the regime would be to accept officially the changes that have taken place in capitalism, changes which make unlikely a repetition of the Great Depression of the 1930s.

79. Over the long run, events outside the sphere of Soviet power will probably have as much to do with the changes in Soviet views of capitalism as events inside the USSR. In the past, as the present study has tried to point out, the realities of international life in the form of the continued economic stability and progress of the West have repeatedly produced heresy and confusion in the minds of articulate Soviet citizens. The continued economic prosperity, political unity, and military strength of the West will almost certainly lead to the recurrence of heresy among Soviet intellectuals, and perhaps even division within the ranks of the Soviet leadership. Over the long run, they may even erode the ideological basis of the East-West struggle and help transform the current heresies into established orthodoxy.

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APPENDIX I

PARTICIPANTS AT MAY 1947 DISCUSSION OF VARGA'S BOOK

M. A. Arzhanov	L. A. Mendelson*
Z. V. Atlas	V. E. Motylov
I. N. Dvorkin	K. V. Ostrovityanov
L. Ya. Eventov *	V. V. Reikhardt
P. K. Figurov	M. I. Rubinshtein* ** ***
E. I. Gurvich	A. N. Shneyerson
A. I. Kats	M. N. Smit-Faulkner
P. A. Khromov	S. G. Strumilin
Sh. B. Lif* **	I. A. Trakhtenberg * ** ***
V. A. Maslennikov* ***	E. S. Varga

NOTE: A translation of the complete transcript of the three-day proceedings is published in Soviet Views on the Post-War World Economy (Washington, 1948)

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* Known members of Varga's Institute of World Economy and World Politics.

** Members of Varga's Institute who had aided him in the preparation of his book, along with other members: S. M. Vishnev, M. L. Bokshitsky, A. Yu. Shpirt, Yu. Vintser, L. A. Leontiev, and R. M. Magid.

*** Members of the editorial collegium of Varga's Institute journal, World Economy and World Politics, along with L. N. Ivanov, R. S. Levina, S. M. Vishnev, and I. M. Lemin.

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APPENDIX II

STRUCTURE OF THE ECONOMICS INSTITUTE IN 1948*

Director, K. V. Ostrovityanov (1948 - 1955)
Acting Director, F. V. Samokhvalov (1952)
Deputy Director, V. A. Maslennikov (October 1950)
Deputy Director, V. P. Dyachenko (1950)

Sectors	Sector Heads	
American Countries	M. I. Rubinshtein	(late 1950)
British Empire	L. I. Ivanov	(late 1950)
Capitalist Business Conditions	V. P. Glushkov	(1950 ---)
Oriental Countries & National-Colonial Problems		
People's Democracies	P. K. Figurov	(1948)
European Capitalist Countries	S. M. Vishnev	(1948)
Imperialism & General Crisis of Capitalism	P. K. Figurov	(dismissed in 1950)
History of Economic Thought		

Group for Study of Situation of the Working Class and Workers' Movement in Capitalist Countries (Staffed by only 4 persons in 1948)

Capital Circulation in the National Economy of the USSR.
The Distribution of Productive Forces.
The Economic Regions of the USSR.
Economic Statistics.
The Economy of USSR Agriculture.
The Economy of USSR Industry and Transport.
The History of the National Economy of the USSR.
The Political Economy of Socialism.

Post-Graduate's Division
Editing and Publishing Division
Information Division
Party Organization - - - - - - - - - - - - - - I. A. Anchishkin Secy. in 1949)
Post-Graduates' Party Group
Scientific Library

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*The Institute was organized within the USSR Academy of Sciences and was subordinated to The State Planning Commission, then headed by Politburo member N. A. Voznesensky.

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APPENDIX III

THE HERESIES OF THE VARGA SCHOOL: 1945-1947

A. Chronology of Heretical Works on Capitalism: 1945 - 1947

Note: Works containing clearly heretical formulations are labelled "H," those which were merely objective or lacking militancy are labelled "O."

1. Articles

E. Varga, "The Decisive Role of the State in the War Economy of Capitalist Countries," World Economy and World Politics* January 1945 H.

L. Ya. Eventov, "Changes in the US Economy During the War," Planned Economy Jan./Feb. 1945 O,

I. A. Trakhtenberg, "The Transition of Capitalist Countries From War Economy to Peace Economy," Planned Economy May/June 1945; repeated in the Supplement to W.E. and W.P. April/May 1946 H.

I. M. Lemin, "The International Situation in 1945," W.E. and W.P. Jan./Feb. 1946 O.

S. Vishnev, "Industry of the Capitalist Countries After the War," Planned Economy No. 2, March/April 1946 O.

R. Levina, "The Food Situation in the Capitalist Countries After the War," Planned Economy May/June 1946 O.

Varga, "Peculiarities of the Internal and Foreign Policy of Capitalist Countries in the Epoch of the General Crisis of Capitalism," W.E. and W.P. June 1946 H.

R. Levina, "The Postwar Food Crisis and Its Causes," W.E. and W.P. September 1946 O.

L. Ya. Eventov, "Nationalization of Industry in England," W.E. and W.P. April 1947 H.

Varga, "Anglo-American Rivalry and Partnership," Foreign Affairs July 1947 H.

____, "Struggle And Cooperation Between the US And England," W.E. and W.P. August 1947 H.

* Hereafter referred to as W.E. and W.P.

_____, "Socialism And Capitalism After 30 Years," W.E. and W.P. October 1947 H.

L. Mendelson, "Crises and Cycles In the Epoch Of The General Crisis of Capitalism," W.E. and W.P. November 1947 H.

2. Books

L. Ya. Eventov, The War Economy of England. ed. by I. A. Trakhtenberg (June 1946) H.

E. S. Varga, Changes in the Economy of Capitalism as a Result of the Second World War (September 1946) H.

A. Shpirt, Changes in the Economy of Raw Materials and Fuels in the Second World War (September 1946) O.

L. I. Frei, Questions of the Foreign Trade Policy of Foreign States (1946) O.

I. A. Trakhtenberg, The Financial Results of the War (1946) O.

M. L. Bokshitsky, Technical Economic Changes in US Industry During The Second World War, ed. by I. A.Trakhtenberg (January 1947) H.

I. M. Lemin, Foreign Policy of Great Britain From Versailles to Locarno (April 1947) O.

V. Lan, The U.S.A. From the First to the Second World War (May 1947) O.

S. Vishnev, Industry of the Capitalist Countries in the Second World War, ed. by L. Ya. Eventov (June 1947) O.

I. A. Trakhtenberg, ed., The War Economy of the Capitalist Countries in the Transition to Peacetime Economy (December 1947) H. and O. Including the following Articles:

(1) I. A. Trakhtenberg, "Basic Characteristics of the Transition of Capitalist Countries From War Economy to Peace Economy" H.

(2) S. Vishnev, "The Labor Force" O.

(3) M. Bokshitsky, "The Auto Industry" O.

(4) L. Roitburg, "Ferrous Metallurgy" O.

(5) A. Santalov, "The Oil Industry" O.

(6) L. Eventov, "The Productive Apparat O.

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(7) Sh. Lif, "State Industry"

(8) E. Gorfinkel, "International Trade"

(9) Ya. Vintser, "Export of Capital"))

(10) V. Bessonov, "Non-Ferrous Metallurgy"

(11) M. Rubinshtein, "Chemical Industry"

(12) A. Shpirt, "The Coal Industry"

N. N. Lyubimov, ed., Financial Systems of Foreign States (1947)

P. Maslov, Methods of Economic Calculation (1947) O.

K. I. Lukashav, The Imperialist Struggle For Raw Materials And Sources Of Raw Materials (1947) O.

B. The Official Counterattack: 1947 - 1948

1. The Varga school's controversial ideas about capitalism had been circulating at least since the beginning of 1945 and continued to be advanced throughout 1947. (As indicated in the discussion above, Varga alone maintained his theoretical heresies in 1948.) In general, the controversial views of the Varga school were of two varieties, some clearly heretical, others merely objective accounts of capitalist development. Many of the exponents of the controversial views (including Varga himself), perhaps because of personal anxiety over their careers in the event of a shift in official attitudes, continued to write militant,polemical articles hostile to the West. Nevertheless, the members of the Varga school were not challenged for their errors of omission and commission for nearly two and one-half years, and some of them, particularly Trakhtenberg,went for a time even further than Varga on certain heretical points.

2. Before the open Party intervention early in 1948 (I. Laptev in Pravda 26 January), the criticism of the Varga school was relatively mild and scholarly.

This is illustrated most clearly by the treatment accorded M. L. Bokshitsky's doctoral dissertation on technological changes in US industry by the Learned Council of the Economics Institute on 24 February 1947. The formal opponents of the dissertation, G. Krizhizhanovsky, M. Rubinshtein, and S. Vygodsky, considered it a serious scientific work, and the Council recommended that Bokshitsky be awarded his doctorate. By early 1948 after the monograph had been published it was attacked for its unmilitant "technical-economic approach" and for intimating the possibility of "class peace" between US labor and management. (I. N. Dvorkin in Planned Economy Jan/Feb 1948).

3. The first professional review of Varga's book was devoid of doctrinal hysteria or personal invective, even though the critic, A. I. Shneyerson, disagreed with Varga's formulations on the economic role of the bourgeois state, the position of the colonies, and the status of Soviet Satellites in Eastern Europe. (Planned Economy No. 3 May/June 1947). This is particularly surprising since Shneyerson was Varga's severest critic at the May discussion of his book. (Incidentally, it is of some interest to note that Shneyerson faired well as a Party economist in the postwar period, as evidenced by his high position in 1954 as Professor of Economics in the important academy of Social Sciences under the Party Central Committee.)

4. I. N. Dvorkin's review in Bolshevik (15 July 1947) of Eventov's book on Britain's wartime economy was the first sharp attack of the Varga school. Among other things, he charged that Eventov was following Kautsky's line that capitalism could enter into a "new phase" of development instead of ending in imperialism, war and ultimate collapse. On 15 September 1947 Bolshevik, the authoritative Party organ, carried an article by I. Gladkov critically reviewing the inconclusive May discussion of Varga's book by the professionals.

Gladkov repeated all the major points of criticism and added that some of the participants,,instead of criticizing Varga's errors, proposed merely to talk over with him the need for reformulating a number of his concepts.

5. Laptev's Pravda article on 26 January 1948 and Ostrovityanov's critical speech at the annual meeting of the Economic Institute on the following day initiated the full-scale offensive against the Varga school. Ostrovityanov sharply attacked the books by Varga, Bokshitsky, Vishnev, Eventov, and Shpirt, as well as the two articles that had been written by Varga after the May discussion. In the period following this polemical onslaught, the books and articles by members of the Varga school (see the chronology in Section A above) came under a heavy barrage of criticism. The "reformist" errors of the Varga school were catalogued by Ostrovityanov in October 1948 as follows:

> "These errors lie in ignoring and distorting the Leninist-Stalinist theory of imperialism and of the general crisis of capitalism; in glossing over the class contradictions of contemporary capitalism; in ignoring the struggle of the two systems, in non-Marxist assertions concerning the decisive role of the bourgeois state in capitalist countries; in the existence... of a narrow technical-economic approach to the treatment of the economy of foreign countries; in an apolitical attitude; in bourgeois objectivism; in an uncritical attitude toward bourgeois data; and in admiration of bourgeois science and technique."

Ostrovityanov capped his criticism with an ominous warning to Varga personally for still refusing to recant: "From the history of our Party you should know to what sad consequences stubborn insistence on one's errors leads." Here indeed was a clear echo of the blood purges of the late 30's!

6. The official counterattack after January 1948 developed chronologically as follows:

(1) (Bolshevik 15 February 1948): I. Dvorkin criticized Vishnev's book for echoing Varga's views on the broad representative character of the bourgeois state during the war. Vishnev was attacked in March (Prob. of Eco. No. 1) by L. Mendelson for his unmilitant, objective approach to capitalism.

(2) (Bolshevik 15 March 1948): L. Gatovsky attacked the authors of the collective work edited by I. A. Trakhtenberg, The War Economy Of The Capitalist Countries And The Transition To Peace Economy, for being "prisoners of bourgeois methodology." He especially took the editor to task for his views that bourgeois state regulation had changed the capitalist system of private enterprise and that the state represented general national interests instead of monopoly interests only. At the end of the month, the authors of the book were criticized at a session of the Economics Institute and they slavishly recanted for their "errors."

(3) Between March and May 1948 the Economics Institute held a series of sessions at which Soviet statisticians were criticized for their uncritical acceptance of bourgeois statistics, particularly on living standards in the West. In this discussion the works of Bokshitsky, Vishnev and Varga came under heavy fire for treating the capitalist economies in "rosy tones." (See Prob. of Eco. No. 5, 1948).

(4) (Bolshevik 15 May 1948): N. Rubinshtein attacked Lemin's book on Great Britain's foreign policy for "bourgeois objectivism" and for its uncritical treatment.

(5) (Bolshevik 30 June 1948): M. Marinin criticized V. Lan's book on US. foreign policy as the work of a "bourgeois apologist." Lan was charged with treating the "transformation" of the bourgeois state from a tool of monopoly capital into some kind of supraclass agency. He was attacked

for considering the possibility of compromises between Wall Street and the working class.

(6) In June, A. Shneyerson delivered a report on capitalism before the Economics Institute in which he delivered a general criticism of Varga's views.

(7) (Planned Economy July/August 1948): Shneyerson attacked two articles that Varga had written in the June 1946 issue of his journal. He criticized Varga for stating that the "general crisis of capitalism" had started early in the 20th Century before the October Revolution and that during World War II the conflict between the wartime allies in their struggle against fascism had been "suspended."

(8) (Prob. of Eco. No. 5, October 1948): A. Kochetkov criticized the books of L. I. Frei and K. I. Lukashev for their objectivism. The former was attacked for uncritical references to "planning" under capitalism and for depicting basic changes in the situation of the colonies, the latter for raising the possibility of Anglo-American co-operation in exploiting overseas oil reserves.

(9) (Planned Economy Nov/Dec 1948): M. Myznikov delivered a comprehensive critique of Varga's heresies, charging that in essence Varga had developed a new variant of Hilferding's thesis of "organized" or "planned" capitalism. He insisted that Varga had a "reformist" view of the state as an organ for reconciling class antagonism and attacked Varga's "opportunist" view of the peaceful transition from capitalism to socialism. He also criticized L. Mendelson for arguing at the May 1947 discussion that Varga's position on the bourgeois state was only "too one-sided."

(10) (Bolshevik 15 December 1948): I. Kuz'minov attacked Mendelson's article of November 1947 for expounding the theory of "deferred demand," which implied that the workers in the capitalist countries were enriched during the war, instead of impoverished in accordance with Soviet Marxist theory. Mendelson was also attacked for repeating Varga's prediction of an upsurge of US. production in the early postwar period.

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APPENDIX IV

POSTWAR SESSIONS OF SOVIET ECONOMISTS ON CAPITALISM

DATE	THEME	RAPPORTEUR	SPONSOR
7,14,21 May '47	Varga's 1946 Book	K. V. Ostrovityanov	Eco. Inst.
27 January '48	Annual Review of Economic Work	K. V. Ostrovityanov	Eco. Inst.
29-30 March '48	Critique of Collected Work *	G. A. Kozlov	Eco. Inst.
March-May '48	Critique of Statistical Work	V. S. Nemchinov	Eco. Inst.
June '48	Report on Capitalism In Crisis	A. I. Shneyerson	Eco. Inst.
October '48	Annual Critique of Eco. Work	Ostrovityanov	Eco. Inst.
March '49	Critique: "Bourgeois Cosmopolitanism"	A. I. Pashkov	Eco. Inst.
June '49	Colonial Situation After The War	Ostrovityanov	Eco. Inst. & Paci. Ocean Inst.
21 September '49	Critique By Culture & Life	----------	Staff & Party Buro of Eco. Inst.
June 1950	Report on "State-Capitalist Tendencies"	A. I. Shneyerson	Eco. Inst.
October 1950	Pravda's Critique of Mendelson's Book	V. P. Dyachenko	Eco. Inst.
November 1950	Critique of Prob. of Econ.	----------	Editors of Prob. of Econ. & Directors of Econ. Inst.
10 December '50	Mendelson's Heretical Book	----------	Eco. Inst.
February 1952	Critique of Shortcomings	Ostrovityanov	Dept. of Eco. & Law of USSR Acad. of Sci.
4-5 November '52	Stalin's Article	----------	Eco. Inst.
7-10 January '53	Stalin's Article	Ostrovityanov	Eco. Inst. & Dept. of Eco. & Law of Acad.
12-19 February '54	Varga's 1953 Book	A. I. Pashkov	Moscow State University
22 August 1955	Critique of Eco. Work	V. P. Dyachenko	Dept. Heads of Higher Edu. Inst.

* The War Economy of the Capitalist Countries and the Transition to Peace Economy, edited by I. A. Trakhtenberg (Moscow, 1947).

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APPENDIX V

PERSONNEL CHANGES IN SECTOR ON CAPITALIST BUSINESS CONDITIONS

INSTITUTE OF WORLD ECONOMY & WORLD POLITICS 1947				ECONOMICS INSTITUTE 1952-1953
L. A. Mendelson		A. Petrushov		V. P. Glushkov, Chief
Yu. Vintser		M. Skebel'skaya	(Cen. Eur.)	E. I. Ivanova
S. Drabkina	(U.S.)	R. Razumova		B. N. Kiselev
I. Zhivova	(U.S.)	K. Dimitrov	(Eas. Eur.)	YaYa Kotkovsky
V. Sokolov	(U.K.)	O. Gerbst		Z. A. Martinsen
M. Gan.	(France)	V. Karra	(Eas. Eur.)	I. Moreno
I. Sosensky	(Canada)	G. Gertsovich	(Germany)	N. N. Orlina
S. Slobodskoy	(Italy)	D. Monin	(Czech.)	A. N. Puchkov
Ya. Pevzner	(Japan)	Ya. Segal	(No. Eur.)	E. A. Chebtareva
				P. M. Shapiro
				V. I. Shumilin
				S. N. Bakulin
				N. A. Kulagin

NOTE: The countries in parentheses are believed to be the areas of professional specialization. Information on the personnel in the Sector during 1948-1951 is not available, although it was reported in 1951 that the staff of 22 persons did not produce any "scientific work" in that year "because qualified personnel were not available for analysis of the accumulated material."

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Collection of declassified CIA Cold War documents
Compiled by Lydia Skalozub

Militarization of the U. S. Economy and the Worsening of the Workers' Situation (Collective Work)

I. G. Blyumin, A Critique of Contemporary English Bourgeois Political Economy

E. S. Varga, The Fundamental Problems of the Economics and Politics of Imperialism (after the Second World War)

V. S. Volodin, Keynes--Ideologist of Monopoly Capital

M. V. Danilevich, The Situation and Struggle of the Working Class of the Latin American Countries

I. Dvorkin, The Ideology and Policy of the Right Laborites in the Service of Monopoly

N. I. Mnogoletova, The Economic Expansion of American Monopolies

G. A. Oborina, The Situation and Struggle of the Italian Working Class After the Second World War.

M. N. Smit, The Situation of the Working class in the U. S., England, and France After World War II.

V. V. Sushchenko, Expansion of American Imperialism in Canada After World War II.

TYPICAL THEMES OF DISSERTATIONS ON CAPITALISM PREPARED BY THE ECONOMICS INSTITUTE IN 1950

(See Problems of Economics No. 5, 1950, pp. 108-109 for complete list)

"The Development and Struggle of Two Camps--The Democratic, Anti-Imperialist Headed By The USSR and the Imperialist, Anti-Democratic Headed By the USA."

"The Leading Role of the USSR in the Peoples' Struggle Against Imperialist Reaction For a Durable, Just Peace."

"Economic Crisis in the Period of Monopoly Capitalism (USA, England, France, Germany, and others)."

"Parasitism and the Decay of Capitalism on the Eve, During, and After the Second World War (e.g., USA, England, France, and others)."

"The Degradation of Agriculture in the Colonies and Semi-Colonies."

"The Absolute and Relative Impoverishment of the Proletariat of the Capitalist Countries in the Period of the General Crisis of Capitalist."

APPENDIX VII.

SOVIET USE OF WESTERN SOURCES

Soviet economic research on the world capitalist economy both during and after Stalin's lifetime has been characterized by extensive coverage, intensive use, careful selectivity, and deliberate distortion of Western sources. From the standpoint of source coverage alone, Soviet research on foreign economies displays a degree of familiarity and sophistication that our own intelligence community would do well to emulate. However, in terms of over-all objectivity, the results leave much to be desired. Soviet economists rarely, if ever, falsify Western statistics; instead they distort them in a masterfully Machiavellian manner. The latter is particularly the rule whenever they deal with Western statistics on living conditions, a field of inquiry that could be rightfully described as the "Achilles Heel" of Soviet research on foreign economies. The most frquently quoted Western source on living conditions is the Labor Fact Book, published by the Communist-Front organization, The Labor Research Association of the United States.

A fairly representative illustration of Soviet coverage of Western sources may be found in the first chapter of Varga's book, The Fundamental Problems of the Economics and Politics of Imperialism (After the Second World War) (Moscow, 1953). These sources are listed below in their order of appearance, with the

works by Communists or fellow-travellers listed parenthetically:

Monthly Bulletin of Statistics of the United Nations
Statistical Yearbook of the United Nations
Annuaire Statistique de la France
Statistical Abstract of the United States
Federal Reserve Bulletin
Economic Reports of the President
Monthly Labor Review
(The Worker Magazine)
Economist, Records and Statistics
Monthly Bulletin of Statistics
The New York Times
Economic Survey of Asia and the Far East (UN)
Survey of Current Business
US News and World Report
Neue Zürcher Zeitung
Economist
(The Black Market Yearbook)
(Frederick Lundberg, America's Sixty Families)(in Russian 1948)
Statistical Yearbook of the United States
Tables to the Economic Survey of Europe (UN)
Le Monde
US Budget
Monieur Officiel du Commerce et de l'Industrie
The Times
(Harry Pollitt, Looking Ahead, London 1947)

APPENDIX VIII

BIBLIOGRAPHY

PRE-REVOLUTIONARY PERIOD

I. Primary Sources

VI. Lenin, Imperialism, The Highest Stage of Capitalism, English Edition (N.Y., 1932).

----------, The State and Revolution, English Edition, (N.Y ., 1932).

II.. Secondary Sources

Maurice Dobb, Political Economy and Capitalism (N.Y., 1937).

Merle Fainsod, International Socialism and the World War (Cambridge, 1935).

Rudolf Schlesinger, Marx-His Time and Ours (London, 1950).

Joseph A. Schumpeter, Capitalism, Socialism, and Democracy (N.Y., 1942).

POSTWAR PERIOD

I. Primary Sources

World Economy and World Politics (in Russian) 1945--1947. This was the monthly organ of Varga's old Institute of World Economy and World Politics.

Problems of Economics (in Russian) March 1948--November 1955. This is the monthly journal of the Economics Institute of the USSR Academy of Sciences.

Planned Economy (in Russian) January/February 1945--September/October 1955. This is the bimonthly organ of Gosplan, The State Planning Committee.

Collection of declassified CIA Cold War documents
Compiled by Lydia Skalozub

Bolshevik (in Russian) January 1947--September 1952; Kommunist (in Russian) October 1952--December 1955. This fortnightly is the authoritative organ of the Central Committee of the Soviet Communist Party.

Current Digest of the Soviet Press, 1949--1955. This weekly was relied upon for full and partial translations of articles in Pravda, Izvestiya, and other Soviet publications from late 1948 up to the present time. Its quarterly indexes were invaluable.

Soviet Views on the Postwar World Economy, translated by Leo Gruliow (Washington, 1948).

II. Secondary Sources

Frederick C. Barghoorn, "The Varga Controversy and Its Implications", The American Slavic and East European Review, October 1948, is useful for its detailed analysis of Varga's 1946 book. The author overlooks the work of other principals in the Varga school, however, and his treatment concentrates primarily on the imposition of the ideological straitjacket on the Soviet intelligentsia in the postwar period.

Frederick C. Barghoorn, The Soviet Image of the United States (N.Y., 1950) is good descriptively but weak analytically.

Rudolf Schlesinger, "The Discussions on E. Varga's Book on Capitalist War Economy", Soviet Studies, June 1949, complements Barghoorn's article by dealing with the intellectual issues raised by the Varga controversy. Although reference is made to some heretical works of the period, the coverage is far from complete. Like Barghoorn, the author avoids political interpretation.

Soviet Affairs, an organ of the Office of Intelligence Research, Department of State. The articles in this monthly publication which deal with the Varga controversy are models of intelligent interpretation of Soviet thought--concise, accurate, scholarly, and readable. Unfortunately, far less attention and sophisticated analysis has been devoted to the period after Varga's intellectual demise, particularly developments in the post-Stalin period, than in the earlier period.