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documents issued in 1957 year

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Contents

(continuation of the numbers order of the first volume)

In continuation there will be issued more books in this series of documents

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3 January 1957

SOVIET STAFF STUDY

APPROVED FOR RELEASE
DATE: JUN 2007

THE SUEZ CRISIS--A TEST FOR THE USSR'S MIDDLE EASTERN POLICY
(Reference title: CAESAR V-A-56)

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Office of Current Intelligence
CENTRAL INTELLIGENCE AGENCY

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Soviet Staff

Office of Current Intelligence

Reference Title: CAESAR V-A-56

SOVIET STAFF STUDY

The Suez Crisis--A Test for the USSR's Middle Eastern Policy

This study is a working paper. It attempts to identify the major premises, motivations and objectives of Soviet policy toward the Middle East since the spring of 1955. 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 ensure the systematic examination of information on the major aspects of Soviet affairs.

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THE SUEZ CRISIS--A TEST FOR THE USSR'S MIDDLE EASTERN POLICY

Since the beginning of the Soviet Union's aggressive diplomatic offensive in the Middle East in the spring of 1955, Soviet policy has sought to combine efforts to stimulate and exploit anti-Western ultranationalist pressures in the Arab world with attempts to forestall the possibility of Western military intervention in the area, which the Soviet leaders probably realized would be increased by their new pro-Arab policy. The Middle East crisis precipitated by Nasr's nationalization of the Suez Canal Company which culminated in the Israeli and Anglo-French attack on Egypt confronted the Soviet leaders with the choice of accepting the incalculable risks of direct Soviet intervention on Egypt's side or acquiescing in the rapid destruction of the Soviet-equipped Egyptian armed forces and the Nasr regime--the main instrument of Soviet influence in the Near East. However, subsequent events, particularly the divergence between American and Anglo-French policy, enabled the Soviet leaders to escape this dilemma and offered new opportunities for increasing Soviet prestige and influence in the Middle East.

Basic Motivation and Aims of Soviet Middle Eastern Policy

The timing and motivation of the USSR's intervention in Middle Eastern affairs stemmed in part from the desire of the Soviet leaders to counter the major diplomatic defeat represented by their failure to prevent the entry of a sovereign West Germany into the NATO alliance. The ratification of the Paris agreements by the French National Assembly at the end of December 1954 brought to a close Moscow's five-year battle to block Western efforts to incorporate a re-armed West Germany into the Western defense system. The principal objective of the Soviet offensive in the Middle East was to outflank the NATO alliance and strike at the foundations of its strategic power by depriving its members of access to the oil fields, military, naval and air bases of the Middle East, and by cutting the vital communications link between Europe and Asia at Suez. A corollary aim was to encircle the members of the "northern tier" alliance in the Middle East and to prevent the extension of this Western-sponsored defense system southward to include additional Arab states.

The politico-strategic concept underlying Soviet intervention in Middle Eastern affairs envisaged the emergence of a neutral bloc of ultranationalist, anti-Western Arab

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states which, with full Soviet support, would lead to the complete destruction of traditional Western influence and control from Morocco to the Arabian Sea. The Soviet leaders found a ready instrument for advancing these aims in the ultranationalistic chauvinism and zenophobia which was sweeping the Arab world. They recognized, however, that this policy of exploiting Arab nationalism as a means of striking at the political, economic and military strength of the Western powers would carry increasing risks that the West might attempt to restore its deteriorating position in the Middle East by forceful action. They also realized that their new pro-Arab line would inevitably aggravate the Arab-Israeli conflict and that an outbreak of hostilities between Israel and its Arab neighbors would almost certainly lead to strong Western intervention.

The USSR attempted to evade this dilemma by reassuring the Israelis, on the one hand, that it entertained no hostile intentions toward their security and interests and, on the other hand, by counseling the Arabs to exercise patience and restraint. Until Israel attacked Egypt at the end of October 1956, the Soviet government maintained outwardly correct diplomatic relations with Israel. Even during the period of high tension in the Near East in July 1956, the USSR contracted to supply Israel with 40 percent of its crude oil requirements over the next two years.

[redacted] At this same time, Soviet foreign minister Shepilov, during his tour of the Near East, was urging the Arabs to avoid rash actions and saying that war must be avoided at all costs to prevent Western intervention.

First Phase of Soviet Intervention in the Middle East

Moscow's search for an opportunity to mount a counter-offensive against the West quickly focused on the Middle East situation which had been brought to a new crisis by two events in February 1955. The first was the sharp aggravation of historical and dynastic rivalries in the Arab world produced by the conclusion of the Turkish-Iraqi alliance on 24 February. The second was the threat to Colonel Nasr's position as leader of the Egyptian revolutionary regime posed by the heavy Israeli attack on Egyptian forces in the Gaza area on 28 February.

The turning point of the USSR's Middle Eastern policy was marked by an abrupt shift in March 1955 toward an anti-Israeli and pro-Arab position in Soviet propaganda. Moscow also made an arms offer to Syria at this time--the first offer of military aid to an Arab state.

The Soviet Foreign Ministry statement of 16 April 1955 was the first formal pronouncement regarding the new orientation. It firmly aligned the USSR on Egypt's side of the dispute within the Arab world by offering Soviet support for those governments which opposed the Turkish-Iraqi alliance. It pledged to "defend" their freedom and independence and warned that the USSR would take this issue to the United Nations if the alleged Western pressure to induce other Arab states to join the Baghdad pact persisted.

These opening moves were followed by the first arms offers to Egypt which began in May, initially in response to an inquiry by Nasr, and were repeated in June. They were accompanied by offers of economic assistance, including an offer to assist in building the Aswan High Dam. Shepilov, then editor in chief of Pravda, reportedly repeated the arms offer when he attended the Liberation Day celebration in Cairo in the latter part of July, and renewed the Aswan dam offer.

Soviet overtures in the spring and summer of 1955 were directed mainly at Egypt, but Saudi Arabia and Syria received similar offers. These were the three countries most opposed to the Baghdad pact. Egypt finally signed a five-year arms agreement with Czechoslovakia on 21 September 1955.

Moscow Adjusts to the Impact of the New Policy

Two clashes between Israeli and Egyptian forces in early November 1955 and an Israeli raid on Syria on 11 December were followed by a bitter attack on Israel by Khrushchev in a speech to the Supreme Soviet at the end of December. This was the first time since the Palestine armistice in 1949 that a top Soviet leader had taken such a strong public stand against Israel. The USSR had previously maintained a marked aloofness from the Arab-Israeli dispute. Khrushchev charged that Israel threatened its neighbors and had pursued a policy hostile to them "ever since it came into being." He implied that Israel was a mere tool of the "imperialist powers."

This denunciation of Israel reflected the impact which the first Soviet bloc arms shipments to Egypt had on the Near Eastern balance of power. The prospect of a rapid strengthening of Egypt's military position alarmed Israel, exacerbated border friction, and impelled Moscow toward a stronger and more unequivocal pro-Arab position.

With this prospect of increasing tension in the Near East, Moscow became concerned about possible Western moves to halt the arms race. A Soviet Foreign Ministry statement of 13 February 1956 condemned the communiqué issued on 1 February at the end of Prime Minister Eden's talks with President Eisenhower in Washington as a scheme for the United States and Britain to dispatch troops to the Middle East against the will of the people involved in violation of the interests of the Soviet Union.

This statement was the first major Soviet attempt to commit the Western powers to the proposition that any great-power actions regarding the Middle East must be taken within the framework of the UN Security Council, where the USSR could exercise its veto to block Western moves which it opposed. The statement specifically challenged the right of the three Western powers to act under the Tripartite Declaration of 1950. This Soviet insistence that any Arab-Israeli crisis must be handled by the Security Council was

The USSR also attempted to deter the West from taking independent action by a propaganda campaign last spring charging the West with "trying to create clashes between Israel and the Arab countries in order to provide a pretext for bringing their armies into this region." This public campaign to inhibit Western freedom of action was accompanied by private assurances to Arab governments of firm Soviet support in the growing tension with Israel.

On the eve of the Bulganin-Khrushchev visit to Britain, the Soviet Foreign Ministry issued a statement on 17 April promising the "necessary support" for United Nations measures to strengthen peace in the Near East. This statement again denounced the Tripartite Declaration of 1950 and warned that

the "Soviet government considers illegal and inadmissible... attempts to use the Arab-Israeli conflict for interference from without in the internal affairs of independent Arab states or for introducing foreign troops on the territory of the Near East."

The USSR and Nasr's Seizure of the Suez Canal

There is some circumstantial evidence that the USSR deliberately attempted to create a situation in which the Western powers might decide to take the risk of withdrawing their offers of financial assistance for the Aswan dam project. Since 1954, Moscow on many occasions had made known to the Egyptian government its willingness to help Egypt build the dam. As recently as 17 May 1956, Soviet ambassador Kiselev reportedly renewed this standing offer with the observation that the USSR realized that the West might withdraw its offer of assistance in view of Nasr's recognition of Communist China the previous day. Shepilov is reported to have elaborated on this offer during his visit to Cairo in mid-June 1956.

One month later, however, Shepilov reversed his line by publicly playing down on 14 July the importance of the Aswan project and offering instead Soviet help for Egyptian industrialization projects. Four days after the United States had announced the withdrawal of its offer of a loan to help finance the initial phase of the Aswan project, A. M. Ledovsky, counselor of the Soviet embassy in Washington, asked a

State Department official whether the American decision was not in fact based on the assumption that the USSR would not build the dam if the United States withdrew.

The American and British announcements withdrawing their loan offers were followed by at least three denials by Soviet spokesmen that the USSR had committed itself to support the Aswan project. Moscow, however, did not close the door to later negotiations for Soviet assistance and since that time has reportedly renewed its assistance offer.

The USSR's first public reaction to Nasr's nationalization of the Suez Canal Company on 26 July came in the form of Khrushchev's advice to the West to adopt a "quiet approach" to this problem, one which would soberly take into account "the new circumstances and the spirit of the times." Apparently anticipating a strong Western reaction, Khrushchev asserted that "there are no grounds for the aggravation of relations in the Mediterranean area and for the fanning of hostility between states over the Suez Canal." Soviet officials revealed some nervousness over possible Western reactions.

The USSR's propaganda reaction to initial Western moves was relatively moderate in tone and seemed to indicate Moscow's concern to prevent the crisis from reaching a point of Western military intervention.

The Soviet leaders appear to have recognized immediately that the future course of Western actions on Suez would be largely determined by the United States position. In a conversation with Secretary Dulles in London before the opening of the London conference on Suez, Shepilov said he was not attempting to split the Western Big Three but that if differences did exist between the United States and Britain and France, the "United States and the USSR together might find a way out of this crisis." Moscow was fully aware of the

implications of the divergence between the US and its allies on the best way to handle the Suez issue. This awareness, which guided Soviet decisions throughout the crisis, was made explicit in the advice which Deputy Foreign Minister Zorin gave to the decision of Britain and France to withdraw their forces from Egypt. Zorin warned that Britain and France would try all means to delay their withdrawal and reminded him that it is "necessary to keep American support, although it is superficial."

London Conference August 1956

Shepilov's principal objective at London was to play for time and to forestall the adoption of any decisions which the West might use as a pretext for intervention. Moscow's uncertainty regarding the measure of Western disagreement on the question of using force to impose international control of the canal

The Soviet Foreign Ministry statement of 9 August expressed the position which the USSR adhered to at the conference. It distinguished between freedom of navigation through the canal "governed by the special convention of 1888" and the nationalization of the canal company, which it called a "perfectly lawful action following from Egypt's sovereign rights." It denied the competence of the London conference to authorize "any decisions whatever" affecting the canal.

Shepilov rejected Secretary Dulles' plan to place the operation of the canal under an international board but backed an Indian proposal for a consultative international body which would not prejudice Egyptian ownership and operation.

Shepilov denounced the appointment of the five-nation Menzies committee to present the Western plan to Nasr but advised the Egyptians that the committee should be courteously received and told that the conference documents would

be studied. He suggested that the period of study should be "spun out" without replying and without official comment on the London conference.

A Soviet-Egyptian arrangement for sending Soviet pilots to Egypt for pilot service on the canal was worked out in London by Shepilov and Ali Sabri. Moscow radio early in September reported that Soviet ship pilots were preparing to leave for Egypt.

The Soviet leaders apparently were well satisfied with the outcome of the conference.

Moscow Prepares for the Next Round

The Soviet government probably regarded the Suez Canal Users' Association plan which Eden introduced to Parliament on 12 September as a maneuver to force Egypt into committing a provocation for Anglo-French military action. Eden had warned that if Egypt interfered with SCUA, Britain and the others concerned "will be free to take such further steps as seem to be required either through the UN or by other means for the assertion of their rights."

Moscow's response to what it probably regarded as British and French preparations for a military showdown with Egypt took the form of notes to London and Paris on 12 September which warned again that the use of force against Egypt would carry the risk of an expanded war. The note to the British government stressed the dangers of using force in the atomic age, pointed out the damaging effect the use of force would have on Western interests in the Middle East, and appealed for a peaceful settlement of the dispute based on the United Nations Charter.

These notes were followed by a Foreign Ministry statement issued on 15 September on the eve of the Users' Association conference in London. This statement went beyond previous pronouncements by linking for the first time any

violation of the peace in the Near East in connection with the Suez crisis with the USSR's own security and by officially calling for United Nations action. Bulganin chose the opening day of the London conference to reply to questions submitted by Kingsbury Smith. He said the USSR was prepared to take part in the conference with the leaders of Egypt, India, the United States, Britain and France to seek a solution to the canal problem.

In addition to its diplomatic and propaganda support, Moscow took other concrete steps to aid Egypt. To alleviate the acute shortage of canal pilots, it sent fourteen "volunteer" pilots to Cairo on 15 September. Early in September, the USSR reportedly increased its arms shipments to Egypt and sent more technicians.

At the UN Security Council sessions on Suez in the first half of October, Shepilov maintained his rigid opposition to the Western plan for international control but appeared to welcome confidential talks between Britain, France and Egypt as the best means of gaining time and limiting Western freedom of action.

The Soviet Reaction to Israel's Attack on Egypt

The USSR's actions in the second half of October following the UN Security Council's unanimous adoption of the six principles of a Suez settlement suggest that the Soviet leaders did not expect the outbreak of hostilities on 29 October. By mid-October, the Russians apparently estimated that the threat of Anglo-French military action had been almost completely removed and that the USSR, by its firm support of Egypt's defiance of Western demands, had considerably extended its influence and prestige throughout the Middle East and Asia. They probably believed that the approval of the six principles and the initiation of talks between Egypt, Britain and France had placed Nasr in a strong position to conduct prolonged negotiations which would sharply limit British and French freedom to resort to force.

Soviet propaganda, which throughout the Security Council debate in the first half of October had warned against Anglo-French action and alleged American threats to use force, subsequently diminished both in volume and violence of tone.

The initial reaction of the Soviet leaders was one of great caution. They appeared determined to do nothing which would commit them to any concrete action in a very confused and fast-moving situation. According to press reports, Khrushchev and Bulganin, attending a Kremlin reception for the visiting Prime Minister of Afghanistan on 30 October, told two Asian ambassadors that they were "gravely concerned" by the Israeli attack and thought that the matter should be immediately settled in the UN Security Council. The Soviet delegate to the Security Council supported a United States resolution in the 30 October meeting which called on Israel to cease fire and withdraw to its own borders and asked all UN members to refrain from using force in the area.

Molotov attempted to sound out American intentions by suggesting to Ambassador Bohlen at the 30 October reception that the United States could have prevented the Israeli attack, adding that of course the United States had acted in collusion with Britain and France. When Bohlen denied this, Molotov said that Britain and France stood behind Israel and wished to punish Nasr for nationalization of the canal.

The Soviet government was also careful to avoid making any commitments to any specific course of action in its first official pronouncement on 31 October. This statement merely condemned the three-power attack and called on the Security Council to take "immediate steps to stop the aggressive operations" and "ensure the immediate withdrawal of the interventionists from Egypt."

Moscow continued to temporize and play for time by sending letters calling for a conference of the Bandung powers to condemn the attack on Egypt and by delivering protests to Britain and France on 4 November against their closing parts of the Mediterranean and Red Seas to commercial shipping in violation of the 1888 Convention.

The USSR also took immediate measures to avoid incidents with Anglo-French invasion forces.

On 5 November, however, the day the first Anglo-French forces landed in Egypt, the Russians were ready to act, convinced apparently that the divergence between the United States and Britain and France was genuine and that the Nasr regime and its Soviet-equipped armed forces were threatened with destruction. Bulganin sent threatening notes to Britain, France and Israel which contained the warning that the Soviet Union was "fully determined to crush the aggressors and restore peace in the East through the use of force."

This language was a piece of calculated ambiguity intended to convey the impression that the USSR was making a threat of unilateral action against Britain and France unless they abandoned their action against Egypt. The Soviet Foreign Ministry press officer later issued a "clarifying" statement that the "we" referred to "the Soviet Union and other members of the United Nations."

The same day, Bulganin sent a proposal to President Eisenhower for joint action by American and Soviet forces, under UN authority, to halt the operations in Egypt. Shepilov sent a letter to the president of the Security Council setting forth a resolution embodying Bulganin's proposal. The council, however, refused to place the resolution on its agenda.

the USSR assured Egypt of support in order to stiffen its resistance and forestall any compromises or surrender.

Nasr's political adviser, Ali Sabri, told an American official in Cairo on 6 November that conversations with the Russians in Moscow and Cairo had convinced him that the USSR was prepared to "go all the way" even if it risked World War III.

Khrushchev told that "the name and credit of the USSR are already engaged on Egypt's behalf and that the USSR, "if needed," will "surely wage war" against Britain and France. Khrushchev, however, qualified this statement by adding that "now it is the diplomatic battle where skill and wisdom are needed." The Soviet party chief was encouraged in his bravado by the Anglo-French declaration of a cease-fire in Egypt on 6 November.

The sequence of events, however, placed the USSR in a position to claim that Bulganin's threatening notes had compelled Britain and France to declare the cease-fire and that it was Moscow that saved the Arab world from imperialist aggression.

Post Cease-Fire Phase

The cease-fire opened a new phase in the Suez conflict and created new opportunities for Soviet moves to win further Arab favor. Moscow's immediate objective was to bring about by nonmilitary means the early withdrawal of the three-power forces from Egypt. It sought to increase pressure on the British and French and to impress the Arabs by announcing on 10 November that if the three powers did not withdraw, the "appropriate authorities of the USSR will not hinder the departure of Soviet citizen volunteers who wish to take part in the struggle of the Egyptian people for their independence." This was the first time since the attack on Egypt that the USSR had publicly threatened to

send volunteers to the Middle East unilaterally or take any action outside the framework of joint measures with other UN members.

The fact that the Soviet leaders waited until it was reasonably certain that hostilities would not be renewed suggests that they hoped to avoid having to make a decision whether they would actually send volunteers. They probably estimated that, short of direct Soviet intervention, there was no way they could bring any appreciable military assistance to Egypt which would decisively affect the outcome of renewed fighting. The volunteer threat, therefore, appears to have been largely bluff designed as a propaganda weapon to exert pressure on Britain and France. Yuri Zhukov, an editor of Pravda, reportedly told in early December that the threat to send volunteers to Egypt was a complete bluff which the USSR would not be able to use again.

The volunteer threat was followed by another round of notes on 15 November demanding that Egypt be indemnified by Britain, France and Israel for material losses. The notes made clear that the USSR believes the UN Emergency Force will be unnecessary after the withdrawal of foreign forces.

By the end of November, Moscow had turned its primary attention to Syria, where it suspected that the Western powers, along with Turkey and Iraq, were preparing to intervene to overthrow the present leftist regime in Damascus. A strong Soviet propaganda build-up designed to deter Western intervention was accompanied by confidential warnings, apparently intended to reach Western governments, that if Turkey should attack Syria, the USSR would immediately attack Turkey, which would mean the beginning of World War III.

Moscow backed these diplomatic and propaganda maneuvers by concluding its first direct arms agreement with Syria the end of November. This deal will include jet aircraft and antiaircraft guns. Moscow agreed, moreover, to supply Syria with 160 Soviet training personnel but was not willing to provide technicians "to fight with the equipment" as requested by Syria.

Future Policy in Middle East

The outcome of the three-power action against Egypt has probably increased the Soviet leaders' confidence that they can proceed vigorously to exploit the Middle East situation without undue risk. They are moving ahead with a re-equipment program for Egypt's armed forces which may go beyond replacement of lost equipment. The Cairo government has provided the Soviet military attaché with an estimate of future military aid requirements.

The USSR will probably seek to make increasing use of Syria as an important instrument of its anti-West, anti-Israel policy. The first shipment of Soviet military equipment to Syria under the November arms agreement arrived in the port of Latakia on 13 December on a Soviet freighter and [redacted] Recent bloc activities in the Middle East have included arrangements for additional arms shipments to Yemen and for the arrival of Soviet and Czech advisers in that country.

While proceeding with these lines of action, Moscow probably will seek to gain credit for easing tensions and forestalling further fighting in this area. It moved to ease Western suspicions of Soviet intentions by issuing a statement on 8 December withdrawing the implied threat of 10 November to send volunteers to fight in Egypt.

Moscow appears to have a strong interest in encouraging a continuation of Arab-Israeli tensions as the principal lever of its Middle East policy. It will seek to exploit these tensions and Arab hostility toward Britain and France to block Western efforts to bring about an early settlement of the Palestine problem. Soviet representatives at the United Nations, according [redacted] have been constantly urging the Arabs to insist on the most favorable terms for a Palestine settlement. Moscow may press the Arabs to adopt an uncompromising position on partition lines and refugees based on the 1947 United Nations resolutions.

The Russians probably will also urge Egypt to demand terms for a Suez settlement even more favorable than those outlined in the UN Security Council's six principles. [redacted]

[redacted]

Moscow can be expected to demand the immediate withdrawal of the UN Emergency Force from Egypt as soon as the three-power evacuation is completed. Soviet propaganda has been charging that the "imperialists" are attempting to use these troops to impose international control on Suez and a general Palestine settlement on the Arab states.

All of these various lines of action will serve the fundamental Soviet aims of widening the cleavage between the Arab world and the West and drawing Egypt, Syria and eventually other Arab states into a position of growing dependence on the USSR.

With the precipitate decline of British and French influence in the Middle East, the USSR recognizes that the United States will be its only serious rival in the future struggle for power in this area. The Soviet leaders probably believe that a strong anti-Israeli line will be one of their most effective weapons in this competition. They probably calculate that a threatening Soviet posture toward Israel will compel the United States to take up a position as defender and guarantor of Israel against hostile Communist and Arab pressures. This position, in the Soviet view, would make it increasingly difficult for any Arab government, no matter how well disposed toward the United States, to be identified with American aims and interests in the Middle East. Moscow has already encouraged a belief among the Arabs that it favors the eventual elimination of Israel. Izvestia published an article on 29 November entitled "The Road to Suicide" which declared that "the hatred of the Eastern peoples for Israel aroused by her brigand attack on Egypt is so great that...it raises the question about the very existence of Israel as a state."

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CURRENT INTELLIGENCE STUDY

FACTIONALISM IN THE HUNGARIAN WORKERS (COMMUNIST) PARTY (1945-1956)

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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Reference Title: Caesar VI-B-57B

CURRENT INTELLIGENCE STUDY

Factionalism in the Hungarian Workers (Communist) Party

(1945-1956)

This study is a working paper. It attempts to discover and analyze the major cliques, factions and alignments in the Hungarian Workers (Communist) party since 1945 in terms of changing Soviet policy demands and the resultant conflict of interest with the needs of local leaders and the country as a whole. It is circulated to analysts of Soviet affairs as a contribution to current interpretation of Soviet policy. It is also designed in part to meet the IAC requirement of 27 December 1955 for studies of factionalism in the Satellite Communist parties.

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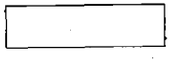

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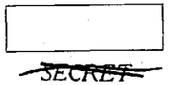

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FACTIONALISM IN THE HUNGARIAN WORKERS (COMMUNIST) PARTY

(1945-1956)

SUMMARY

The Hungarian Workers (Communist) Party from its inception in 1918 figured in Soviet policy as an instrument of penetration and, after 1944, domination in Hungary. At the height of its power it numbered almost one million members and, under the leadership of Matyas Rakosi, Hungary's "little Stalin," held control over every aspect of Hungarian life. The party was shattered as the result of a series of Soviet policy moves culminating in the de-Stalinization pronouncements of Khrushchev and Mikoyan at the 20th congress of the Soviet Communist Party. These measures split the party into hostile factions and precipitated dissension in the organization from top to bottom. The virtual destruction of the party was completed by the Soviet armed reconquest of Hungary in November 1956.

In violently anti-Communist and anti-Soviet Hungary, the mission imposed on the party required that it be headed by individuals completely loyal to the Kremlin. To secure such a top command, Moscow in past years built up a corps of carefully trained Hungarian emigrés, in large number Jewish, chosen for suppleness, tenacity, intelligence and lack of national sentiments. At the close of World War II this group of "Muscovites," led by Matyas Rakosi, returned with Soviet armies to rule Hungary in the interests of the Kremlin, using any tactics which appeared necessary for the purpose within the general framework of Soviet policies. He enlisted the support of optimists and opportunists who believed that the welfare of the country and their own advancement might be gained by collaboration with Moscow and a reasonable degree of socialization of the Hungarian economy and social structure. In the course of years, Rakosi built up a well-integrated hierarchy of officials, chosen from nativist Communists and collaborators, closely tied to himself personally, buttressed by an effective security police structure and sustained in the last analysis by the presence of Soviet troops in Hungary. These individuals were given careful training to fit them for their function of ruling Hungary in the interests of the Kremlin.

At each major Soviet policy change, the Hungarian party leadership was required to implement Moscow-dictated directives which often ran counter to Hungarian national interests, required the demotion or destruction of individuals in high

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positions and evoked the bitter hatred of the Hungarian people. This situation confronted the Hungarian leaders with a direct conflict of interests. At various moments, certain Communists refused to abide by the Kremlin decisions and chose the interests of Hungary.

In the early years of Communist rule, the conflict of interests was played down in accordance with a formula permitting a "Hungarian road to socialism." The reversal of this toleration of "national Communism" following the break between Stalin and Tito led to the fall of leading Hungarian Communists, notably Laszlo Rajk. But the death of Rajk was only the first step in stamping out smouldering Hungarian resistance to ruthless Sovietization now imposed on the country under the leadership of Rakosi and his Muscovite colleagues Gero, Revai and Farkas. High-ranking Social Democrats who had joined the party soon proved unreliable (1950) and distinguished local Communists--notably Janos Kadar--who had attempted to co-operate following the death of Rajk also were imprisoned. As a result of these purges, all opposition elements in Hungary were either in prison or terrified into silence. The purged elements were replaced by young "hard" Communists provided with intensive Soviet indoctrination.

Major blows were dealt to the Muscovite leaders by the "Zionist" purges of 1952-53 and the concurrent economic crisis that led to replacements in the Hungarian planning apparatus. Although Rakosi managed these matters with great skill, the purges pointed up the predominantly Jewish character of the party leadership in a country where anti-Semitism was latent, and emphasized the disastrous effects of accelerated industrialization and collectivization on the Hungarian economy.

The proclamation of the New Course with Imre Nagy as premier in the summer of 1953 brought new personalities to the fore and instituted liberalized policies in agriculture and industry at the expense of doctrinaire Communists who had profited from earlier economic policies. Violent opposition from these elements was silenced by Rakosi, apparently on Moscow's orders, and the new policies enforced. During the summer of 1954, Nagy emerged as a genuine leader backed by the majority of the central committee. But Nagy's resort to extraparty mechanisms to gain popular support and his encouragement of unrestrained criticism of regime policies drove Rakosi to seek the support of the Kremlin against Nagy. Meanwhile, the liberation of Janos Kadar and other imprisoned Communists strengthened party moderate forces against the former leadership.

In late November Rakosi returned to Hungary, after two months in Moscow, to lay down a doctrinaire line on political and economic issues and, following the demotion of Malenkov in the Soviet Union, to demote Nagy and his adherents. The party leadership however, was unable to force Nagy--sustained by a large faction in the central committee--into submission and he therefore remained the rallying point for the rapidly growing opposition. The Rakosi-Gero clique renewed its emphasis on industrialization and collectivization, in connection with planning for the Second Five-Year Plan due to begin in 1956, and attempted to coerce its critics into submission. The group was greatly restrained, however, by the Kremlin's current attempt to present an appearance of moderation, particularly in its relations with Tito of Yugoslavia. These apparently liberal Soviet policies, however, stimulated the Hungarian opposition into mounting demands for a "thaw" in Hungary.

In the autumn of 1955, Hungarian writers apparently backed by a large faction in the party central committee resorted to open defiance of Rakosi (the so-called Writers' Revolt). The party leadership was forced to resort to coercive measures to silence its opponents. They found it necessary to take the long-delayed action of expelling Imre Nagy from the party as a means of quieting criticism in the central committee.

The extreme de-Stalinization pronouncements of Khrushchev and Mikoyan at the 20th congress of the Soviet Communist Party dealt a drastic blow to the Rakosi regime and encouraged his opponents into renewed efforts to oust him and institute liberalized policies. From this point forward, Rakosi was maintained in power only by the Kremlin which apparently believed that his experienced hand was needed to control the dangerous factionalism in the Hungarian party and contain Hungarian nationalism encouraged by the Kremlin's wooing of Tito. Yet the retention of Rakosi contrary to announced Soviet de-Stalinization measures drove the Hungarian opposition into a frenzy. At meetings at the Petofi Club, representatives of every sector of Hungarian life--including army officers and former partisan and underground fighters--demanded the removal of Rakosi. Rakosi sought in vain to convince his opponents that he was genuinely carrying out the correct Soviet line.

The mounting fury of the opposition, reaching a climax at the 27 June meeting of the Petofi Club--and Rakosi's decision to use harsh measures to bring his opponents into line--forced the Kremlin to make a decision. Mikoyan arrived in Budapest in mid-July, challenged Rakosi's proposals and was reportedly sustained by Khrushchev. On 18 July, Rakosi resigned as first secretary of the Hungarian Workers Party, giving as his reason serious violations of the "cult of personality."

At this point, the Kremlin might have restored unity to the Hungarian party by taking the bold course of rehabilitating Imre Nagy and promoting Kadar to the head of the party. Instead, Mikoyan approved the substitution of Gero for Rakosi. This move appeared to threaten a return to the policies of accelerated industrialization and forced collectivization, although Gero sketched out more moderate policies. Although Kadar and the former Social Democrat Marosan were elevated to the political committee, doctrinaire elements maintained their ascendancy.

Opposition elements from the pro-Nagy and pro-Kadar factions of the party were encouraged by these maneuvers to bargain with the regime. Indications that the Kremlin itself was vacillating between a crackdown on Polish nationalists and continued encouragement of the "thaw" also spurred the Hungarians to take a bolder course. On the other hand, Gero's continued stress on doctrinaire considerations kept his opponents alive to the possibility of a return to harsh measures--a possibility made more real by increasing symptoms of a tougher Soviet policy toward Yugoslavia. These varying developments combined to make the three months prior to the October revolution a period in which hope and fear combined to produce reckless daring among Hungarians.

The crisis came in early October--when Gero and Kadar were both out of the country. A mammoth demonstration staged by Nagy adherents in connection with the reburial of Laszlo Rajk in the national cemetery on 6 October turned into a nationalist manifestation with distinct anti-Soviet implications directed against the Gero regime. Mounting excitement throughout the nation encouraged by Polish defiance of the Kremlin reached a climax in the 23 October demonstration staged by students. When these demonstrations turned into riots leading to the full-scale fighting between AVH troops and the rioters (24 October), Soviet troops intervened. The revolution had begun.

The party leadership made a desperate--but vain--effort to maintain control of events. The central committee and political committee were called into session on the night of 23 October. Panicky party leaders--presumably Gero--called for Soviet aid under the Warsaw pact. During the stormy all-night session, the seven remaining Stalinists were replaced by two moderates and one Nagyist, and Nagy was reinstalled as premier. The following day (25 October), Gero was replaced by Janos Kadar. The change in leadership came far too late to win confidence from the rebels.

The moderates under Kadar and liberals led by Nagy maintained unity for a short period. Nagy's endorsement of increasingly anti-Communist and anti-Soviet moves--culminating in the

withdrawal of Hungary from the Warsaw pact and the proclamation of neutrality under the protection of the UN drove the so-called "moderates" to seek refuge with Soviet troops. The newly formed Hungarian Socialist Workers Party became the vehicle of the discredited Kadar party leadership. On 4 November, Kadar announced the formation of a new Revolutionary Workers and Peasants Government and appealed for Soviet aid to put down "counterrevolutionary" forces in Hungary.

These events mark the death of the Hungarian Communist Party as it existed for almost 40 years. Leading Stalinists are in the Soviet Union, dead, or in discard. Nagy and his associates after leaving their sanctuary in the Yugoslav embassy were seized by Soviet troops and are now being held in Rumania. The remaining "moderates" head a sham party--the Hungarian Socialist Workers Party--an organization of discredited functionaries from the Rakosi regime, claiming a membership of less than 100,000 and totally lacking in enthusiasm or sense of mission. It is the creature of the Soviet forces stationed in Hungary.

28 January 1957

CHAPTER I

THE HUNGARIAN COMMUNIST PARTY

PRIOR TO 1945

1. The Bela Kun Revolution

The Hungarian Communist Party was founded on 20 November 1918 from an aggregation of former prisoners of war just returned from Russia and a few Hungarian extreme leftists nominally belonging to the Social Democratic Party. The new party's leader was Bela Kun, who had received extensive Bolshevik indoctrination in Russia and reportedly had been in contact with Lenin. Among his lieutenants were Eugene Varga, Matyas Rakosi and a number of individuals who subsequently formed the "Muscovite" corps of the Hungarian Communist Party leadership. Specially trained in the Soviet Union, closely related by their common experiences and in some cases by marriage, mainly of Jewish origin, these Communists form a closely knit group among whom it is difficult to detect significant differences.* Later evidence makes clear, however, that some of them were somewhat more nationalist in orientation than others (e.g. Imre Nagy).

In March 1918 this group seized control of the Hungarian government as a result of the vacillating policies of the existing regime in the face of the economic and political crisis resulting from WW I. They built up the party membership among troops demoralized by the defeat and disintegration of the Austro-Hungarian Monarchy and unemployed industrial workers of extremist tendencies. They retained power for less than six months during which the attempt to overthrow and

* From the viewpoint of later Hungarian history, the following associates of Bela Kun are of special importance. Matyas Rakosi (Deputy Commissar of Commerce), Gyorgy Lukacs (Deputy Commissar for Education), Ferenc Munnich (commander of the Red garrison in Budapest and a political commissar in the Red army), Imre Nagy (reportedly Communist political boss in Somogy county in southern Hungary), Erno Gero, Jozsef Revai, Erzsebet Andics and her later husband Andor Berei, Lajos Bebrits, Gyula and Jozsef Hajdu, Gyula Hay, Imre Horvath, Sandor Nogradi (in army), Bela and Zoltan Szanto, Andras Szobek, Tibor Dery and Zoltan Vas (a fellow prisoner of Rakosi in Siberia). Bela Kun, Bela Szanto and Laszlo Rudas wrote accounts of the revolution.

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Communize Hungary's social structure resulted in a blood bath. In August 1919, the Bela Kun regime was overcome as a result of Allied military intervention and the organization of stable elements within Hungary itself.

The chief result of the Communist revolution was to alienate the Hungarian people from Communism and cause them to support the Horthy government's policy of banning the party. Moreover, Communist terror tactics, the attempt to collectivize farms, and the subversion of the Social Democratic party had made active enemies of exactly the agrarian and working class elements which the Communists would have to win over in order to make a successful comeback under peacetime conditions. As a result, the number of Communists in Hungary prior to WW II remained small, faction-ridden and conspiratorial. To most elements of the Hungarian population, the Bela Kun regime remained an example of bloody and fruitless terror imposed by Russian agents on Hungary.

The episode nevertheless furnished Hungarian Communism with its future leadership and taught this leadership certain tactical lessons which were put to the test in 1945.

2. Comintern Leaders of the Hungarian Party

The interwar period is signalized by the continued attempt of Moscow, through the Comintern, to direct the tiny, illegal Hungarian Communist party in the interests of the Soviet Union. The instrument of this direction was the small band of expatriates left at the Kremlin's disposition by the failure of the Bela Kun revolution. These individuals took on Soviet citizenship and received careful training in Communist theory and methods of subversion. Several of them appear to have been taught Soviet economic theory at the institute administered by their compatriot, Eugene Varga.

a. Bela Kun: As chief of the Comintern's Hungarian section, Bela Kun was the acknowledged leader of Hungarian Communists until his elimination in 1937, although Stalinist historians later made every attempt to obscure his role. As a key man in the Comintern organization--Agitprop chief prior to 1935--Kun was a friend of Zinoviev, Bukharin and Karl Radek. From the limited evidence available, he appears to have been a "left" Communist who conceived of the party as a "united revolutionary party of the working class" and paid little attention to winning the support of peasants. In

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Hungary, where agriculture played a major role, this concept would later be judged a major error by Stalinist critics.

b. Matyas Rakosi: Despite Kun's pre-eminence, it is clear that Matyas Rakosi quickly became a key figure in the Hungarian section of the Comintern. The son of a small Jewish merchant, Rakosi, like Kun, had served in the Austro-Hungarian army until his capture by the Russians in 1915. This marked the decisive episode of his career. He received intensive Communist indoctrination and returned to Hungary to take a small role in the Bela Kun revolution. In the exercise of his reponsibilities, he demonstrated the enormous energy, driving will and absolute loyalty to the Kremlin that qualified him for his subsequent leadership of the Hungarian party. He went back to Russia in 1920, reported to the Third Comintern Congress on the Hungarian revolution and soon became secretary of the Comintern's Executive Committee. During his later career, he gained increasing ascendancy over the squabbling factions of the Hungarian party and outplayed his Comintern colleagues, hard-driving but austere Erno Gero and Jozsef Revai, the ideologist of the group. At some time he became identified with the opposition to Bela Kun. When and upon what grounds remain to be ascertained from evidence not presently available.

Rakosi's main quality, as it developed through the years, was a shrewdness and flexibility that enabled him to use people of all capabilities in the fulfillment of Soviet purposes. The most hated man in Hungary during the post-WW II years, he inspired terror by his ability to outmaneuver, confuse and divide his enemies and effect his own ends. There is no doubt that these qualities of Rakosi enormously contributed to the establishment of Soviet power in Hungary. There is also no doubt that the methods which he used robbed the party of any real basis of popular support in the country. Rakosi never willingly surrendered one iota of actual control to a local Communist who for any reason whatever possessed independent strength in Hungary. From the beginning, he relied on members of his own clique to conduct important liaison missions and selected members of minority groups--mainly Jewish--for active leadership in Hungary. In all these respects, Rakosi was the close counterpart of Stalin.

c. Efforts of the Comintern to Develop the Hungarian Party: At the instance of Bela Kun, the Comintern made a number of efforts to develop a strong Communist movement in Hungary. Success was at best mediocre. Three persons were sent, one after another, to assume leadership of the disorganized and mutually hostile factions of the illegal party--Erno Gero (1922), Matyas Rakosi (1924) and Zoltan Szanto (about 1927). All were arrested after brief periods of activity. In 1928 Kun himself was arrested in Austria while seeking to reorganize one dispersed faction of the party. Of these attempts, that of Rakosi was most successful. In 1924, after the Comintern had pronounced the dissolution of the Hungarian party--the first of three dissolutions imposed by Moscow--Rakosi arrived in Hungary, well supplied with money and aides, channeled through Vienna. With him came his right-hand man, Zoltan Vas (né Weinberger). They joined one faction of the disorganized party and organized the first party congress, held secretly in Vienna in August 1925. On their return to Hungary both were arrested, tried and sentenced to prison where they remained until 1940.

3. Hungarian Nativist Communists

The depression of the early thirties gave some impetus to Communism, which may also have profited from dimming memories of the Bela Kun revolution. A small contingent of fighting recruits was added to the illegal party from among students in Budapest and other large cities and among industrial workers. But the Party line propounded by Bela Kun remained essentially impotent to draw off real strength from the two major opposition parties then active in parliament--the Social Democrats, powerful in the growing Hungarian working class and the Independent Smallholders, representing the cause of agrarian reform.

a. Laszlo Rajk: The outstanding Hungarian recruit of Communism at this period was Laszlo Rajk. Neither Jewish nor "Muscovite" but of German origin, he was a product of Communist influence on Budapest college students. Apparently possessed of considerable dynamic charm, he succeeded in collecting around himself a group of "Hungarian" Communists, some of them his fellow students at Eotvos College. Expelled from school, he appears to have joined the construction workers union and become sufficiently active as an organizer to have been arrested by the police. The nature of his activities, however, is completely

obscured as a result of revisions of history undertaken by official Communist historians who first sought to build up his reputation and then to blacken it completely.

b. Communist Labor Leaders: A few Communist personalities gained some stature in the labor unions during the early thirties.* Among them, Janos Kadar was most important in terms of post-WW II politics. Of possible Yugoslav origin, he came from Fiume to Budapest where he became active in the steel workers union and, on the eve of WW II, an influential leader in the underground party organization. It is probable that he gained his abiding interest in security matters at this period. He did not, however, succeed in achieving top party leadership.

Other prominent Communists also were active in labor union politics, often as allies of left-wing Social Democrats. These individuals, after the Communist take-over, would be advanced as genuine representatives of the working class and given positions of power in the new government.

4. Shift of Soviet Tactics to the "United" and "Popular" Front

The major shift of Soviet tactics to the "anti-fascist peoples front" line enunciated by Dimitrov at the Seventh Comintern congress (1935) had drastic repercussions on the Hungarian party. According to the historian of the period, Gyula Kallai: "It was the historical task of the Communist parties of various countries to outline and put into practice these general principles in conformity with the peculiar conditions in their respective countries." The "letter of comradeship" of January 1936 conveying the new Soviet line instructed local leaders to abandon the long-standing concept of the small conspiratorial party working for immediate world revolution and to implement tactics calling for creation of a "broad

* Other Communists or crypto-Communists connected with trade unions include the following: Antal Apro (construction workers), Istvan Bata, Arpad Hazi, Istvan Hidas (metalworkers), Karoly Kiss (leatherworkers), Istvan Kovacs, Istvan Kristof (leatherworkers), Jozsef Kobol (woodworkers), Jozsef Mekis (ironworkers?), Sandor Nogradi (ironworkers), Gabor Peter, Laszlo Piros (butchers), Mihaly Zsofinyecz (foundry workers).

democratic national unity front" which would appeal to all elements of the population, including the peasantry. This program represented a sharp shift to the right in theoretical terms.

a. Repercussions of the Fall of Bela Kun: Bela Kun was a major victim of the change in tactics. He was eliminated from the Comintern leadership and put to death.* All members of the Hungarian party's central committee were assumed to be guilty of Kun's heresy. The party itself was dissolved.

These dramatic proceedings led to a crisis whose full extent was revealed only in the course of discussions of de-Stalinization in 1956. "Leftist" Communists denounced the sweeping use of "front" tactics outlined in Moscow and called for a return to original Communist objective, i.e. the immediate revolutionary establishment of a "dictatorship of the proletariat." In the words of Gyula Kallai, the chief historian of the period, "some workers do not understand that the policy of a united front does not mean the abandonment of the class struggle, but on the contrary is the only logical form of class struggle in a given situation." The dissenters were denounced as "Trotskyites" by the party leaders in Moscow.**

* Bela Kun was condemned at a 1937 meeting of the Comintern presidium presided over by Georgy Dimitrov. At this meeting Manuilsky presented charges that Kun had sharply criticized the Comintern direction of Hungarian party work and had attributed this failure in part to the "weak representation of the Soviet Communist Party in the Comintern." Unfortunately for Kun, the Soviet party's representative was Stalin. Kun's explanation that he meant Manuilsky was thrust aside. While Kun was led away by NKVD men, the other delegates sat in frozen horror. These delegates included Eugene Varga, his collaborator in the 1919 regime and rehabilitator in 1956. (Avro Tuominen, quoted by Daniel Norman, New Statesman and Nation, 1 Sept 56)

** Stalin defined the Trotskyite deviation as: (1) considering world revolution was necessary before Socialism could be built in the Soviet Union; (2) denying the possibility of drawing the peasant masses into socialist construction; (3) denying the necessity of iron discipline in the party and allowing freedom of factional groupings.

The full story of the consequences of the fall of Bela Kun remains to be written. Its immediate effect was to split off "Trotskyite" factions who claimed to preserve the original doctrine, to strengthen anti-Soviet elements in the party and to augment popular revulsion at Soviet policy. These divisive effects were later blurred over by party historians in an attempt to preserve the myth of party unity.

Matyas Rakosi was fortunate enough to be in a Hungarian prison during this period. He was thus enabled to escape the consequences of the Stalinist purges while acquiring the status of official martyr of the party. In the meantime, his "heroic fortitude" was carefully recorded for the Communist faithful by his secretary, Zoltan Vas.

5. "Front" Tactics in Hungary (1936-41)

The late thirties were the heyday of united front and popular front tactics in Hungary. The attempt to build an underground party organization, combat-ready for the hoped-for seizure of power, was postponed in favor of the broadest possible front tactics aimed at influencing legal parties to endorse Communist objectives. Meanwhile, Communists rebuilt their basic cells at the lowest level for the eventual reappearance of the party. As Kallai explains, the party needed members who were not known to the police in the event of war.

a. Moscow Leadership: In the absence of a central organization in Hungary, direction of the party cells was maintained from Moscow probably via Prague. During this period, top command appears to have been exercised by Jozsef Revai with the possible concurrence of Erno Gero and Mihaly Farkas. The correct theoretical line was imparted to Communists in Hungary by a clandestine publication, apparently printed in Prague from material furnished by Moscow.

Revai, the son of a well-to-do Jewish family and a Communist intellectual of some reputation, was the author of a major work on Marxism which was circulated in Hungary prior to the war. Gero was well known among Hungarian Communists as one of the original underground party leaders. Energetic, austere and fanatical, he reportedly had done organization work in Western European Communist parties prior to his participation in the Spanish Civil War as the Comintern representative. His Moscow training may have included

work at Eugene Varga's institute. Unlike Revai and Gero, Farkas apparently was not a veteran of the 1919 revolution. A Hungarian Jew born in Slovakia, Farkas had come into the Hungarian party via the Czechoslovak party. During the early thirties he was a Communist youth organizer in Western Europe and, like Gero, participated in the Spanish Civil War. He may have been the party's contact man in Prague during this period. With Rakosi, these three men--Revai, Gero and Farkas--constituted the top command of the Hungarian Communist party in the WW II and post-war period.

b. "United Front" Tactics: The new tactics imposed on Communists called for an energetic attempt to penetrate the Social Democratic Party in order to establish a "united front" of workers. While these tactics failed to win support among reputable Social Democrats, they contributed to laying the foundation for future co-operation with left-wing socialists (notably Arpad Szakasits) and thus the post-war subversion of the Social Democratic party. Communists conducted a steady attack on "right wing" socialist leaders in an effort to divide the workers from their leaders. They agitated for strikes. They loudly called for opposition to Hitler. Their divisive tactics, however, brought a sharp counterattack from Social Democratic spokesmen who pointed out that Soviet-inspired Communist tactics in Germany had largely contributed to the victory of Hitler in 1933.

c. The Debrecen Communist Group: Communist tactics had somewhat greater success among intellectuals and youth. A group of young intellectuals at the University of Debrecen responded to Communist lures and identified themselves with popular front tactics aiming at the penetration of radical agrarian organizations. Members of this Communist cell, led by Gyula Kallai, were of irreproachable Hungarian stock, some of them Protestant in background. They thus constituted one of the few authentically Hungarian elements in the party.* The concern of these young men for land reform ideally suited the party's program of attempting to gain a foothold in left-wing agrarian circles.

* The Debrecen Communist cell included, beside Kallai, Ferenc Donath, Geza Losonczi, Szilard Ujhely and Sandor Zold.

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Kallai himself co-operated with the so-called "village explorers" in forming the "March Front" of 1937 and later worked on the Social Democratic newspaper (Nepszava), thus personally epitomizing the "anti-fascist popular front" approach. Kallai and other members of his group appear to have established contact with Rakosi in prison, though the channels are not known.

d. Penetration of the National Peasant Party: Communist backing enabled the "village explorers" to form the National Peasant party and thus laid the groundwork for penetration which enabled the Communists to use the organization to undercut the Smallholders in the post-WW II period. Certain of the agrarian leaders (Peter Veres, Jozsef Darvas, Ferenc Erdei) collaborated closely with the Communists in the period of WW II and afterward became for all practical purposes Communists.

e. Period of the Nazi-Soviet Pact (1939-41): By 1938, the Muscovite leaders were ready to reorganize a new party in Hungary. A new central committee was formed and the condemnation of certain members of the old committee apparently withdrawn the following year. By virtue of the Nazi-Soviet non-aggression pact and the ensuing resumption of diplomatic relations between Hungary and the Kremlin, the Communist party gained much greater freedom of action and even began to publish a legal periodical (Gondolat). Communists nevertheless still were viewed with great suspicion by the regime: Kallai states that a number of leaders were arrested in 1940. This period came to an end with the Hungarian declaration of war on the Soviet Union (27 March 1941).

Although Communists continued to achieve their greatest success among youth and intellectuals, their identification with the Soviet Union made them objects of suspicion at this time. As Kallai points out, after the signature of the Nazi-Soviet pact, it was difficult for Communists to convince workers that "Socialism and fascism are inexorable enemies!" Moreover, the Soviet attack on Finland brought them

great unpopularity. It is difficult to avoid the conclusion that the party, on the eve of the Hungarian entry into the war, was a negligible factor in Hungarian politics and important only as a center of subversion serving Soviet interests.

6. "Popular Front" Tactics: Hungarians in the Spanish Civil War (1936-39)

The Spanish Civil War constituted a special training ground for the most enterprising Hungarian Communists during the late thirties. Soviet support for the Spanish Republican government took the form of sponsoring the formation of an International Brigade including heterogeneous Communist and "liberal" elements from various countries. Approximately one thousand Hungarian volunteers joined the brigade, formed the so-called "Rakosi Battalion" and thus acquired paramilitary experience that was of major importance during WW II. The commander of the brigade was Ferenc Munnich, former officer in the Bela Kun army and by now a Communist of international reputation. Both Erno Gero and Mihaly Farkas reportedly were involved in the fighting, Gero allegedly as special representative of the Comintern. Among the outstanding leaders of the Hungarians was the young Budapest youth and labor activist, Laszlo Rajk, who performed an excellent job as political officer of the Rakosi Battalion.

In French internment camps, following the close of hostilities, a number of the participants in the Spanish Civil War were brought into close contact with representatives of Western relief agencies, including Noel Field, and with Yugoslav members of the International Brigade. During this period (1939-41), the stage was set for the later tragedies of many Hungarian veterans. In these internment camps, Rajk and certain other Hungarians participated in discussions of Communist theory with Yugoslav leaders and apparently formed personal friendships which later marked them as potentially unreliable in the eyes of the Kremlin.*

Not all the "Spaniards," as the Civil War veterans were called, were involved in Western or Yugoslav contacts which later would be judged treasonable. Some appear to have joined

* The following Spanish Civil War veterans were implicated in the fall of Rajk and suffered death or imprisonment as a result: Sandor Cseresnyes, Frigyes Major, Laszlo Matyas, Laszlo Marschal, Karoly Rath, Mihaly Szalvay, Andras Tompe, Imre Gayer.

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French resistance forces (e.g. Nogradi) and thus escaped the stigma of the internment camps. The alleged Comintern representative, Erno Gero, returned immediately to the Soviet Union and thus was available as secretary to Dimitrov or Manuilsky, to act as mentor for the Hungarian party during the remaining years before the advent of war.

7. Moscow Direction of the Hungarian Party in WW II (1940-45)

a. Formation of the Foreign Committee of the Hungarian Communist Party: The advent of WW II for the first time enabled all elements of the "Muscovite" leadership to gather in Moscow and following the Hungarian declaration of war on the Soviet Union (27 June 1941) to initiate intensive activity for Hungary's "liberation." Matyas Rakosi returned to Moscow in September 1940 in exchange for flags captured by the Russians in their invasion of Hungary (1848). He immediately took over top leadership of all activities. The Foreign Committee of the Hungarian Communist Party was formed shortly thereafter. Thus, even prior to Hungary's entry into the war, Communist leaders in Moscow were preparing a program for action in post-war Hungary.

These activities centered around the Comintern. Rakosi, as a member of the Comintern, apparently did not in theory hold the position of head of the Hungarian party but in practice he made himself responsible for all details of action and propaganda. Gero, Farkas, Revai and Zoltan Vas worked closely with him. Following the dissolution of the Comintern (17 May 1943), Gero may have played a somewhat greater role in directing propaganda aimed at Hungary.* There is no evidence, however, that he offered an opposition to Rakosi's leadership at any time. Instead, he appears to have acted as Rakosi's right hand man.

* Wolfgang Leonhard, an East German party official who defected to the Yugoslavs in 1949, states that Gero at this time supervised propaganda issued by the National Committee for Free Germany. Leonhard asserts that Gero was believed by the Germans to occupy a very high position in the Communist organization which continued the work of the Comintern after its dissolution (Die Revolution entlaesst ihre Kinder).

b. The Kossuth Radio: Direction of the important broadcasts to Hungary emanating from Radio Kossuth--named for the national hero of the Hungarian revolution of 1848--was confided to two Hungarians who are thus marked out as nationalist-oriented, Ferenc Munnich and Imre Nagy. Munnich enjoyed considerable prestige among Communists throughout Europe as a result of his leading role in the International Brigade in Spain. Imre Nagy, like the other Muscovites, had played a minor role in the Bela Kun episode and afterward had worked in the illegal Communist organization of a small provincial town (Kaposvar) prior to his emigration to the Soviet Union (about 1930). An authentic Hungarian peasant, possessed of considerable jovial humor, Nagy was trained in Soviet agricultural economics at the University of Moscow and reportedly had run a collective farm in Siberia. Now he was brought forward to issue propaganda whose target was the Hungarian peasant and which strongly emphasized the Communist intention of breaking up large estates and giving land to the farmers.

Radio communications formed the principal link between the Muscovite directors of the Hungarian party and their followers in Hungary. A daily news commentary, ideological discussions and directions for sabotage operations and training were issued by this medium. Rakosi himself spoke frequently over Radio Kossuth and for the first time acquired a relatively large audience in Hungary. These broadcasts emphasized "democracy," basic "rights," nationalization of great industrial enterprises and land reform as the future program of the Communists in Hungary.

c. "Anti-Fascist" Indoctrination of Prisoners of War: From the scanty and poor evidence available, it appears that the Foreign Committee concentrated on recruiting likely candidates from the 65,000 Hungarian prisoners captured in the fighting around Stalingrad. Spanish Civil War veterans and members of minority groups serving in labor battalions were a particular target for the recruiters. At two "anti-Fascist" schools, these "volunteers" were subjected to intensive indoctrination and then parachuted into combat zones or Hungary as couriers or partisan fighters. Direction of this training was in the hands of Gero, assisted by such fanatical Communists as Erzsebet Andics.

In addition to the schools for relatively low-level prisoners, there may have been an institution for more desirable recruits. Reports refer to a school set up near Moscow at which Revai, Nagy, the Varga-trained economist Istvan Friss and possibly Eugene Varga himself taught Hungarians.

8. Party Activities in Hungary during WW II

a. Leadership of the Underground: The whole story of the wartime activities of the Communists in Hungary is clothed in mystery as a result of the editing of historical fact by Stalinist historians intent upon building up or denigrating key individuals in the party, notably Laszlo Rajk. It is known that the party went underground following Hungary's declaration of war on the Soviet Union. Gyula Kallai, then linked very closely with left-wing Social Democrats and National Peasant Party leaders, appears to have exercised public leadership of the party. Two individuals who died in prison (Rozsa and Schonherz) were described as top party leaders. A group of labor union activists, including several individuals who came to the fore after the war (Janos Kadar, Gabor Peter, Istvan Kovacs, Antal Apro) apparently played a major role. The full and true story of these events remains to be written.

Many of the tried leaders of the party spent the war years in prison. Rajk was arrested shortly after his return to the country in the autumn of 1941 and remained under detention until October 1944, when he was turned over to military authorities and transported to Germany. Nevertheless, he continued apparently to maintain his connection with the resistance during this period. Certain other leaders remained free for a longer time and kept up liaison with Moscow, and probably with the Yugoslav partisans as well. Kadar, in particular, reportedly was arrested in 1944 while seeking to contact the Yugoslavs.

b. Front Tactics: On the surface, Communists co-operated with the Independence Movement led by Hungarians who opposed the alignment of their country

with Germany. Kallai put into effect the customary Communist tactics of supporting left-wing elements in legal parties (Social Democrat, Independent Smallholders and National Peasant parties) while attempting to divide the more radical elements in these parties from their "right-wing" leaders. These tactics led to a catastrophe for the Communist organization itself early in 1942. Kallai was responsible for pushing an apparently innocent nationalist celebration, on 15 March, into an anti-regime demonstration which was broken up by police. Communist plans for big May Day demonstrations keyed to the "peace" theme were also abortive. Police swooped down on party headquarters and arrested three Central Committee members of whom two (Rozsa and Schonherz) died in prison. Kallai himself was arrested on charges of treason but reportedly was acquitted.

A special effort was made to infiltrate Spanish Civil War veterans--i.e. paramilitary types--into key points in the labor movement. In the countryside, Communists sought to penetrate and control the non-political Peasants Association, using as their instrument the ostensible Smallholder party member, Istvan Dobi. These activities were closely supervised by the Foreign Section of the party in Moscow by means of directives broadcast over Radio Kossuth, illegal publications and personal liaison, often by parachute drops.

c. Dissolution of the Party: Formation of the "Peace Party": As a result of steadily increasing police pressure, local Communists lost heart and in June 1943 used the dissolution of the Comintern as an excuse for dissolving the official party organization. This move was later termed a "most serious error." It may have marked Kallai for eventual punishment as "an unreliable cadre." A new organization almost immediately took the place of the disbanded party under the name of the "Peace Party."

9. Formation of the Hungarian Independence Front (1944)

a. Re-establishment of the Communist Party: Communist resistance to the Germans was greatly stepped up after the German intervention to coerce the Horthy government on 19 March 1944. Only with the approach of Soviet armies to Hungary's borders, however, did these activities gain real impetus. The Communist party

was re-formed in September and the Communist youth organization was called into existence again. An official newspaper edited by Ferenc Donath also made its appearance. The new party took its place in the Hungarian Independence Front, along with the Independent Smallholders Party, the Social Democrats, and the National Peasant Party. Within the Front, Communists and left-wing Social Democrats cooperated very closely and, in fact, on 10 October signed an agreement looking toward eventual union of both parties.

b. Possible Role of Laszlo Rajk: Actual leadership of the Hungarian underground in October 1944 may have been exercised by Laszlo Rajk, although titular leader Gyula Kallai assumed public responsibility. Ostensibly confined in Margit-Korut prison, Rajk allegedly secured a measure of liberty from Horthy's counterespionage chief who himself belonged to the resistance. Rajk, for example, is credited with preparing the text of the agreement for eventual union of left-wing Social Democrats and Communists. Much research would be required to approximate the true story of Rajk's activities.

c. The "Western Communists": Somewhat peripheral to these activities but of later political importance were Hungarian Communist activities in Switzerland. Here a group of left-wing students and intellectuals linked with the Hungarian Independence Front carried on resistance activities geared into those of the Yugoslavs. Contemporary sources reported that participants in the Bela Kun revolution (the Hajdu brothers) were connected with this group. Their local leader, Tibor Szonyi, achieved sufficient stature in the Communist party to merit a relatively influential position (chief of cadres) in the Hungarian party on his return at the close of the war.

d. Resistance Fighters: Rapid organization of resistance committees under the aegis of the Front progressed in the Budapest district during the late autumn of 1944. The official Communist account* states that sabotage units were formed under the direction of Marton Horvath, a former Social Democratic newspaperman, Gyorgy Palffy, a Hungarian army officer and Lajos Feher, a National Peasant Party journalist from Debrecen. Members of the Communist youth group--workers and intellectuals--performed these missions. Similar units were formed in Budapest suburbs. One unit of the auxilliary battalions of the mobile police, organized from leftist Jewish elements, sabotaged transport in and out of Budapest.

10. The Partisans in Rakosi's Calculations

Rakosi apparently planned to have Hungarian partisans operating from the Ukraine and Slovakia effect a junction with resistance fighters in Hungary. These plans were aborted by the direct German take-over of Hungary on 15 October and the imposition of a Nazi-style Arrow Cross party dictatorship. Nevertheless, during the next month underground leaders in Budapest continued to make plans for a

* Kovacs and Florian, Champions hongrois de la liberte contre le fascisme (1946)

general rising while partisan forces led by Sandor Nogradi pressed southward from the mountains. Both schemes failed. The diverse elements composing the Hungarian Independence Front were, however, unable to agree on a date for a general insurrection.

In this situation, Rakosi, in good Stalinist fashion, exerted himself to maintain control of the Hungarian resistance. He despatched an emissary, Istvan Kossa, through the lines to reimpose Moscow's leadership on the disorganized and demoralized Communists in Budapest.

Soviet forces at Szeged and in eastern Hungary made no effort to reach Budapest but permitted the underground to be crushed by the Germans and their Arrow Cross allies. Only after heavy fighting was Budapest taken by Soviet armies the following January. This procedure permitted the Kremlin to avert the danger of a genuinely representative government being set up in Budapest. Instead, the Soviet leaders forced resistance representatives to come to Moscow to negotiate an armistice and agree to the formation of a hand-picked Provisional National Assembly which convened at Debrecen in December under the guns of the Russian army. This policy resembles in its general outlines Soviet policy toward the Polish underground, the sacrifice of the Polish resistance forces under General Bor-Komarowski and the establishment of the Lublin government under complete Russian domination.

The actual military influence of the Hungarian partisans and the underground resistance was minor. Nevertheless, the partisan and resistance leadership play a key political role in founding the new Communist regime and imposing the Muscovite leadership and Soviet alignment on the Hungarians. In the immediate postwar period, moreover, participation in resistance activities was the test for reliability of Communists and Communist collaborators which gave the participants importance far out of proportion to their numbers.*

* Partisan leaders who later gained prominence, beside Nogradi, included the following: Andor Tompe, Nogradi's political officer; Gyula Uszta, Pal Maleter (prominent figure in the 1956 revolution) and Istvan Dekan in northern Transylvania; Janos Ratulovszky and Jozsef Pazekas in the USSR; Mihaly Szalvay, Istvan Rostas and Laszlo Cseby in Yugoslavia (Kovacs and Florian, Champions Hongrois de La liberte.)

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CHAPTER II

FORMATION OF THE HUNGARIAN WORKERS PARTY

1. The Muscovite Leadership of the Party

a. The Ruling Clique: The exiled Hungarian Communist leaders--the so-called "Muscovites"--accompanied the victorious Soviet armies into Hungary.* The contingent of Gero, Revai, Farkas and Imre Nagy reached the country first, on the heels of Soviet troops arriving at Szeged (6 November 1944). Rakosi himself came later and entered the ruins of Budapest after its capture by the Soviet army. With Zoltan Vas, these men comprise the six major Muscovite leaders. With the top leaders came the secondary contingent of lesser Muscovites, "anti-fascist" trainees and partisans. Certain other high-ranking Muscovites arrived somewhat later to take over special assignments.

Under cover of the doctrine that all classes not actually tainted with fascism could work toward building socialism in Hungary, the new leaders promptly began to implement a broad "national front" program aiming at building up Communist strength and subverting existing legal parties. As Rakosi later described the process, in a cynically candid address of 29 February 1952, the minority Communist party applied a ruthless program of splitting the opposition--termed by Rakosi, "slicing salami"--while taking step after step to set up a "dictatorship of the proletariat" called the Hungarian People's Democracy.

On the arrival of the top Muscovite leaders from the Soviet Union, the local bigwig Communists found themselves pushed into the background. The returning

* The term "Muscovite" is used to designate individuals who spent a long period of time in the Soviet Union--notably the period of WW II--and who received special training to fit them for a leading role in the Hungarian party. Several of these individuals are believed to hold Soviet citizenship (Rakosi, Gero, Farkas and others), although apparently Imre Nagy does not.

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group of Stalinist functionaries, instead, took over key positions in party and government for themselves within the framework of the Provisional Government formed at Debrecen.* Rakosi, as secretary general, was the undisputed leader of the party; he took over the key government post of deputy premier in November 1945. Gero, Rakosi's right-hand man, assumed the Ministry of Trade and Communications, and soon demonstrated that he intended to rule Hungary's economy and effectively integrate it with the Soviet economy. Revai maintained his former role of chief party theoretician. Farkas's activities were more complicated. At first working only as a party official, he was appointed, in July 1945, political undersecretary in charge of police in the Ministry of the Interior. As party second secretary under Rakosi, he clearly exercised a decisive influence over security matters. Zoltan Vas, a general trouble shooter specializing in economic and financial operations of a clandestine sort, became mayor of Budapest and later head of the Supreme Economic Council. Among this ruling group, Erno Gero clearly was second only to Rakosi and to some observers during the early days of the Soviet occupation, he appeared more important than Rakosi.

b. "Nationalistic" Muscovites: Among the top Muscovites, Imre Nagy appears from the outset to have constituted a special case. Brought along to implement the land reform which was counted on to win peasant sympathies, he was appointed minister of agriculture in the Debrecen Provisional Government and held this post until November 1945. In drafting the measures for land redistribution, he relied on young local Communists, notably Ferenc Donath. Nagy next was appointed to the critically important post of minister of the interior in the cabinet of Premier Zoltan Tildy but held this position only four months, surrendering it in February 1946 to Laszlo Rajk. Characterized at that time as a "strong Hungarian nationalist," Nagy gained some popularity among Communists although he appears to have been regarded by the general public as indistinguishable from the ruling clique. The reasons for his relinquishment of the ministry have never been clarified,

* Only one local Communist received a post in the Debrecen Government. Erik Molnar, a very close associate of Rakosi, took the Ministry of Social Welfare which was counted on to give the Communists essential personnel information and provide them with a means of awarding or withholding benefits as desired. The all-important Ministry of the Interior was confided to a long-time Communist collaborator, Ferenc Erdei, (National Peasant Party).

although speculation at that time attributed it to lack of energy or possibly lack of knowledge of local conditions. Nagy was demoted to the relatively innocuous position of speaker of the parliament. He nevertheless maintained his post as chief party expert on agricultural questions and continued to belong to the Politburo.

Several other Muscovites prominent in the first years of the Soviet occupation apparently were marked by a greater degree of Hungarian nationalism than was later considered safe by the regime or for other unclarified reasons were denied the advancement which they considered they had earned. In some cases, the reasons may have been linked to the factional quarrels of the 'twenties or 'thirties (e.g. Ferenc Munnich); in others, ambitious individuals with good connections in the Soviet Union (e.g. the writer Gyula Hay) were pushed into the background by rivals more closely connected with Rakosi. Since these individuals observed Communist discipline, the character or even the existence of their dissension from the ruling clique did not come to light until many years later.

c. Soviet Support for the Muscovite Clique: From the first day of the Communist regime in Hungary it was apparent that the authority of the ruling clique rested on the presence of Soviet armies and the emphatic assurance of Soviet political and economic support in moments of crisis.* Any withdrawal of Kremlin endorsement for

* Until the autumn of 1947 this meant the Soviet Element of the Allied Control Commission headed by Soviet Marshal Voroshilov and his deputy (and successor) Colonel General Sviridov. During this period, Rakosi formed close personal ties with Voroshilov which continued after the marshal returned to Moscow. After the withdrawal of the Allied Control Commission, Soviet political and economic officials--notably Soviet ambassadors beginning with Pushkin--played an increasingly important role in advising and shoring up the dominant Muscovites.

Rakosi personally would place him at the mercy of insurgent forces in the party and the country as a whole. Within certain limits, however, Rakosi clearly was accorded a large measure of autonomy in choosing methods and individuals to implement the prescribed over-all policies in Hungary.

2. Elements in the Party

a. The Nativist Hard Core: The first task of the Muscovites was to build a strong party mechanism to control the country in the interests of the Kremlin. They started almost from scratch. They possessed a small hard core of Hungarian members (about 30,000) hardened in the school of illegality and accustomed to following directives from Moscow. They could count on a strong youth element recruited among resistance fighters, Spanish Civil War veterans and partisans. A number of fanatical Communists returning from German concentration camps mustered around the party leaders. Several dynamic leaders who had spent the war years in Hungary were popular among local Communists--notably Laszlo Rajk, Janos Kadar, Gyula Kallai, Gabor Peter and Marton Horvath.* Nevertheless, popular support for the Communists was so small that their total popular vote in the relatively free elections of 4 November 1945 was only 797,000 or approximately 16.9 percent of the total.

b. The Opportunists: The broad "front" policies pursued by Rakosi during the first years of Soviet occupation encouraged individuals of many types to join the party. Many Hungarians accepted the new regime as inevitable and gave a measure of genuine co-operation in the hope that the regime would pursue a reasonable course under which Hungary could make a speedy recovery from the devastation of war and Soviet looting, and resume its place as a center of cultural and economic life in the

* In the general distribution of rewards to faithful Communists, Rajk took over leadership of the Budapest party organization with Kadar as his deputy, pending Rajk's appointment as minister of the interior in March 1946. Marton Horvath, resistance leader and reputed former Zionist, became editor of Szabad Nep and members of the Debrecen Communist cell received important posts: Kallai and Losonczi were awarded key propaganda positions; Ferenc Donath was appointed to the Ministry of Agriculture; Sandor Zold to the Ministry of Interior and Szilard Ujhely to the Ministry of Social Welfare. Other local Communists were provided with seats in parliament or jobs in the party apparatus.

Danubian basin. Optimists even hoped that this recovery could be effected with Western financial assistance, since it was clear that the war-torn Soviet Union was in no position to furnish adequate economic support. Other individuals hastened to join the party as a means of continuing their careers in government, the army or business. A large number of peasants came in as a result of the land reform. One important source of recruits was the plethora of low-level and middle-level Arrow Cross members proscribed by the other parties. As a result of these tactics, the total party membership rose to 150,000 by May 1945 with its major strength concentrated in Budapest. By the time of the third Communist Party congress, held in September and October 1946, party membership had attained almost 653,000.

c. Left-wing Dissidents in the Party: Such extreme "front" tactics aroused the anger of certain party extremists who had wanted to set up a "Red Budapest" immediately and who probably fancied that they might have profited to a greater degree from the Soviet conquest of Hungary. Certain unidentified older veterans of the 1919 revolution and many youthful fanatics (the "1945" youth group) appear to have become embittered at the tortuous path followed by Rakosi. Extreme left-wing "Trotskyite" elements supported by factory workers also gave trouble and were subjected to arrests in late 1945 and early 1946. Such dissension evoked sharp criticism from the Muscovites intent on building up party strength even at the expense of orthodox theories.

d. Social Democratic Elements: The Hungarian Workers Party: The Social Democratic Party had long been a major target of the Communists. Their wide influence over industrial workers and in trade unions made them a dangerous competitor, especially in view of the strong pro-Western orientation of their most reputable leaders.* As Rakosi said in his 1952 speech: "Our real competitors in the ranks of industrial workers were the Social

* The Social Democrats received 17.4 percent of the total vote in the 4 November elections i.e., one half of one percent greater than the Communists.

Democratic elements.... Their leaders would have welcomed the American or British occupation of Hungary and their great majority hated the Soviet Union."

In this situation, the Communists stepped up divisive tactics aimed at achieving an eventual merger of the two parties. They forced the formation of a "leftist bloc" including both the Social Democrats and the National Peasant Party as an initial means of gaining control. They purchased the support of certain trade union officials of Social Democratic antecedents by the gift of top factory management jobs. They bound collaborating left-wing leaders so closely to Communist policies that they were indistinguishable from party members. By 1948 the Communists, on Kremlin orders, were ready to effect the union of the two parties. Subservient left-wingers--notably Szakasits and Marosan--split the party and cajoled the rank and file into voting a merger with the Communists to form the Hungarian Workers Party.

The new party now possessed a membership of nearly one million. Ostensibly a united party, Communists maintained complete control over essential cadre affairs and soon began to purge former Social Democrats of suspected loyalty. Although Szakasits and Marosan were provided with high positions in the united party, they clearly were subordinate to Rakosi and his Muscovite cohorts. The effect of the merger therefore was to further increase unreliable elements in the party, although it subjected them to severe Communist discipline.

e. The Collaborators: Closely allied with the ruling Muscovite clique headed by Rakosi were a group of collaborating members from the nominally non-Communist National Peasant Party and a few figureheads forced over from the Independent Smallholders by brass-knuckle tactics of the Communists. Such collaborators were intended to undermine support from the majority Smallholders' Party among the peasants and bourgeois elements by giving an appearance of a genuine democratic basis for the regime. Among these, the former "village explorers" Ferenc Erdei and Jozsef Darvas played the most consistently important "front" roles.

f. The Security Police: In view of the diverse and mutually hostile elements composing the party it is apparent that security police controls would be

extraordinarily important in the conduct of party affairs. For these reasons, the relationship between the party leadership and the State Security Authority (AVO and later AVH) assumes major interest. Nominally subservient to the Ministry of the Interior until 1949, this organization actually became the special security arm of the party leadership against enemies within and without the party. Peter himself, as a longtime Hungarian Communist of Jewish origin and underground fighter during WW II, reported, however, directly to the Central Committee or Rakosi (and probably Farkas) on all matters of importance.* The AVH thus acted as the key mechanism for preserving the hegemony of the Rakosi-Gero clique over the party and country.

* Gabor Peter never attained Politburo status, although he belonged to the Central Committee of the party.

CHAPTER III

COERCION OF NATIVIST ELEMENTS IN THE PARTY

1. The Experiment with "National Communism" (1945-48)*

   a. The "Hungarian Road to Socialism": For the first three and a half years following the Soviet occupation, Hungarian party leaders encouraged Hungarians to believe that their country would be allowed to pursue a "specifically Hungarian road to socialism" within the framework of political and economic ties with the Soviet Union. This doctrine, termed "national Communism", was held by large numbers of Hungarians flocking into the party in the post-war years. It emphasized the immediate necessity of effecting "bourgeois-democratic tasks" instead of striving for purely Communist goals. Although this doctrine stressed co-operation with the Soviet Union, it tended to emphasize differences between Soviet and Hungarian institutions. While endorsing harsh tactics against "enemies of the state", it asserted nevertheless that progress toward Communism could be achieved without "dictatorship of the proletariat" i.e., institutionalized terror. Finally, it emphasized the importance of the peasant element in the "worker-peasant" alliance and played down the necessity of collectivization. In effect, national Communism took the view that the cause of Communism would best be served in Hungary if local needs and local situations were taken into account.

      To emphasize their encouragement of national Communism, the Muscovites gave increasing prominence to certain local leaders. Two "Hungarian" Communists were eminently suited to the role of top representative of the nativist element in the party--Laszlo Rajk, a "national Communist" of great ability and determination and leader of a significant faction in the party, and Janos Kadar, a native Communist whose more pliant personality and working class background fitted him to symbolize Hungarian nationalism without constituting a threat to Soviet control.

* National Communism has been defined as a "regional or local interpretation of Marxist-Leninist theory, opportunistically adapted to achieve certain strategic objectives."

   b. Laszlo Rajk: Laszlo Rajk was chosen to symbolize these policies. Upon his return to Hungary from a short period of internment in Germany he was allowed by the Muscovites to assume leadership of the Budapest party organization. This step was taken by party leaders fully aware that Rajk's two brothers both had been leading members of the Arrow Cross party. In November 1945, Rajk was apparently raised to the position of party secretary under Party Secretary General Rakosi. Then in March 1946 Rajk was installed in the key government position of minister of interior, where his main task was to weed out politically unreliable elements in the government. As minister, he had charge of Hungary's police and frontier forces. Staunchly reliable to the cause of Communism--as he interpreted it--Rajk took obvious pride, as he stated during his 1949 trial, in the claim of Hungary's "best Communist." But contemporary evidence bears out the view that he was a nationally oriented Communist who honestly believed it might be possible to "build a Hungarian road to Socialism" and who challenged even strong man Rakosi on this score. This did not mean, however, that Rajk was in any sense a "soft" Communist. As minister, he enforced completely ruthless policies.

   c. National Communist Elements in the Party: The Muscovites permitted Communists of nationalist orientation to take key places in the government and party. Rajk, who possessed clear talents for organizations and was obviously allowed latitude in selecting his subordinates, installed former Spanish Civil War comrades in important posts in the civil police--although such

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elements long ago had been liquidated in the Stalinist purges in the Soviet Union. The nationally oriented Tibor Szonyi, a representative of the Swiss emigration, had charge of the party's cadre section, subject to the supervision of more reliable Communists. Other non-Muscovites staffed the Foreign Ministry. Important Communists in the small Hungarian army also leaned toward national Communism: Inspector General Palffy-Osterreicher, who had set up the army's military political section (intelligence), was charged with this crime in 1949. In 1948 the nationalist elements occupied a number of significant power positions and Rajk--perhaps their leader--had his own organization in the Ministry of the Interior.

Rajk's popular following contained diverse elements ranging from extreme left-wing industrial workers of Budapest and other key centers of industry to former Arrow Cross members who supported the one outstanding non-Jewish leader of the party. He also reportedly inspired the admiration of Communist youth and intellectuals who had taken part in the resistance or served as partisans. Peasants who had received farms under the land reform and joined the party may also have looked to Rajk as a possible opponent of Soviet-style collectivization. All in all, Rajk's support in the party roughly parallels that of Imre Nagy in 1953-56. To non-Communist Hungarians, however, he was anathema.

2. The Condemnation of National Communism (1948)

The break between Tito and Stalin in the spring of 1948 inevitably produced drastic repercussions on Hungary. The increasing independence of Tito and his evident popularity among some Satellite Communists obviously had caused mounting concern to the Kremlin. From the Soviet viewpoint, the turning point may have come with Tito's visit to Budapest in December 1947--following a triumphal tour of other Satellite capitals--where he received a tumultuous welcome.

The communiqué issued by the Cominform on 28 June condemning Tito, made clear that the Soviet path to socialism was henceforth to serve as a model for all the Satellites including Hungary. "Class struggle" was to be intensified. The alleged Yugoslav over-reliance on the peasantry as one

"pillar of the state" was repudiated. The Yugoslav practice of subordinating, in appearance at least, the party to the Peoples' Front was expressly condemned. The role of the party was to be emphasized. All departures from Soviet party usages and procedures were castigated as "arrogance" or "nationalism."

This communiqué was a shattering blow to hopes of moderate Communists that Hungarian national interests and not the rigid imitation of the Soviet Union might form the basis of the new order in Hungary. The condemnation of Tito marked as politically unreliable all the Hungarian party leaders associated with national Communism. Rajk himself went to Moscow, probably in May, presumably to defend himself against such charges. He did not attend the Cominform meeting in June that expelled the Yugoslav party: the Hungarian representatives were three Muscovites--Rakosi, Farkas, and Gero.

The beginning of the end for Rajk started on 4 August when, following a reported visit to Budapest from Soviet party leader Zhdanov, he was transferred from the Ministry of the Interior to the less strategic post of Minister of foreign affairs. Although he temporarily retained his Politburo and Orgburo memberships, the conclusive character of his fall was evident.

3. Establishment of "Dictatorship of the Proletariat"

The condemnation of national Communism was followed by a sharp turn to the left in ideological terms and the imposition of a full-dress Stalinist type dictatorship with Rakosi as little Stalin. "Reactionary elements in the party"--i.e., moderates--received a sharp warning to fall into line from the trial of Cardinal Mindszenty in February 1949. On 1 February, a new Communist-controlled Peoples' Independence Front was formed to maintain the pretext of a democratic system, followed by Communist-style elections and the proclamation of a Hungarian Peoples Democracy. In theoretical terms, this meant that the "dictatorship of the proletariat" had begun and Hungary now was to "build the foundations of socialism" along purely Soviet lines.

Ideological Czar Revai stated the facts of Communist domination with complete frankness in the party's theoretical journal of March-April 1949. The Communist party, although a minority party in parliament and government, guided and controlled the country by virtue of its decisive control of the police and the presence of Soviet troops, always ready to support party officials. He appealed to party members not to be squeamish about the use of force: "We must clearly realize that periods may come in our evolution when the chief function

of the dictatorship of the proletariat will consist of exercising force against enemies from within and from without."

Revai's unvarnished warning to party members reportedly caused consternation among optimists in the party who still hoped that the term "peoples democracy" might include at least some elements of Western democracy. However, there was little they could do. Just to make the situation unmistakably clear, a mounting propaganda campaign called for "vigilance" against Yugoslavia, the West and internal enemies.

4. Destruction of National Communist Elements in the Party (1949)

a. The Rajk Trial: The regime now moved to eliminate the national Communists from the government and party. A wave of arrests culminated with the detention of Rajk, Inspector General Palffy-Osterreicher, Police Colonel Bela Korondy, party cadre chief Tibor Szonyi, his deputy Andras Szalai, Pal Justus of the Hungarian Radio and Lazar Brankov, former counsellor of the Yugoslav legation. In mid-June Rajk was expelled from the party as a "spy of foreign imperialist powers and Trotskyist agent." One-third of the party was purged.

On 16 September Rajk and his associates were brought to trial for treason, espionage and "activities calculated to overthrow the democratic state order." They were charged with plotting with Yugoslav and Western intelligence agencies to organize a conspiracy of party, police and army groups to split the party, murder the Muscovite leaders and seize power in the interests of Tito and the "American imperialists." The prosecution sought to show that this conspiracy had been organized behind the back of party and government officials and without the knowledge of Soviet authorities. Anti-Zionist aspects of the trial were played up as were the alleged contacts of Rajk with Noel Field. "Evidence" produced in the Rajk trial boiled down to the fact that any contact with erstwhile friends of the Soviet Union constituted treason when Soviet policy was reversed. In this sense, Rajk was the scapegoat for the Bloc's condemnation of Tito.

All the major figures in the Rajk trial were put to death. The less important principals (Pal Justus and Lazar Brankov) survived under sentence of life imprisonment. A number of middle-level party and government officials, however, spent long years in prison but re-emerged during the New Course.

b. High-Level Muscovites Adversely Affected by the New Party Line: The group of "moderate" nationalist Muscovites, including Imre Nagy, was affected adversely by the shift in Soviet policy but was not destroyed, presumably because its members did not constitute a basic threat to Communist and Soviet control.

Imre Nagy was dropped from the Politburo in 1949 as the defender of individual farming. As Rakosi revealed at the party Central Leadership meeting of 14 April 1955, Nagy was then accused of "right-wing opportunistic" views, convicted of "anti-Marxist", "anti-party behavior" and eliminated from the Politburo (though not from the Central Committee.) By 1951 Nagy was able, however, to work his way back to the Politburo. It is probable that Nagy, as the only one of the original top six Muscovites who enjoyed any popularity in Hungary, was too useful to be sacrificied at this time and had to be saved for future employment in the event of a change in Soviet policies.

A "Muscovite" Spanish Civil War veteran, General of Police Ferenc Munnich, was caught in the backwash of the break with Tito, Munnich, who had held the important job of chief of Budapest police forces under Rajk, was suddenly assigned as minister to Finland and later transferred to Sofia. He remained in the latter relatively insignificant position until 1954, when he was given the key post of ambassador to Moscow by Imre Nagy.

Another high-level Muscovite adversely affected by the repudiation of national Communism was the philosopher Gyorgy Lukacs. In the scathing criticism by Revai in the winter of 1950, Lukacs was made to symbolize "liberal", Western-oriented Communist intellectuals who believed in a "third road to socialism" and "underestimated" Soviet culture. Revai demanded that all writers conform to Soviet usages and follow party dictation.

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5. Advancement of "Moderate Nationalists" (1948-51)

a. The Moderate Nationalist Leaders: The ruling Muscovite clique sought to maintain a pretense of nationalist orientation and build a base of support in the party by promoting leaders of the moderate nationalist group to replace Rajk and the national Communists. This expedient achieved a degree of success in the 1948-50 period but came to an end with the deterioration of international relations resulting from the Korean War.

The group chosen to represent this policy included Kadar, Kallai and other members of the Debrecen Communist group and the former Social Democrats Szakasits and Marosan. These individuals appear to have been rather closely connected with Jozsef Revai who exercised a marked influence during this period.

Kadar took over Rajk's place as minister of interior (August 1948) and thus assumed the position of leader of the moderates. Like Rajk neither Jewish nor Muscovite, his presence in this critical ministry was intended to serve as a front to conceal rapid Sovietization of Hungary. Apparently leaning toward a "hard" line based on the industrial proletariat, Kadar appears to have gone along with the program of rapid industrialization under the new Five Year Plan. In fact, his ministry soon lost even nominal control of the AVH during 1949-50, although some semblance of authority was reserved to Kadar personally. There is no evidence that he opposed Sovietization; in fact, his presence at the November 1949 meeting of the Cominform in Budapest indicates that he supported the condemnation of national Communism.

Gyula Kallai was also called upon to play an increasing public role in maintaining the pretense of nativist representation. He took over the Ministry of Foreign Affairs following Rajk's removal on the eve of his trial (June 1949). In this position, he was effectively barred from taking any independent initiative by the presence of the Muscovite Andor Berei as his first deputy. Other native Communists advanced during the course of 1948-49 found themselves in a similar situation.

b. Sovietization: The rapid and nearly complete Sovietization of Hungary was proceeding under cover of these moves. This in turn strengthened the position of the

Rakosi clique. Rakosi as party secretary general and deputy premier directed over-all policies. Gero's hold over the country's economic life was strengthened by his assumption of the position of chief of the newly established Peoples Economic Council. Revai, appointed minister of peoples culture in June 1949, supervised intellectual life and indoctrination. Mihaly Farkas took over a new sphere of responsibility in September 1948, when he became minister of defense. His earlier involvement in security matters presumably gave him special qualifications for replacing "security risks" in the armed forces. His military qualifications were less evident; he had fought in the Spanish Civil War but lacked formal military training.

Economic Sovietization contributed greatly to providing adherents of the Rakosi clique with jobs and influence. Rapid plant expansion took place by virtue of the plans prepared by Gero. The new enterprises were stamping grounds of minor Muscovites and associates of the ruling group. Party activities were stepped up throughout the economy in an effort to induce workers to produce more and endure the regime. This again provided adherents of Rakosi with positions.

6. Elimination of Moderate Nationalists

The advent of the Five Year Plan in 1950, the sharp stepping up of planned industrial output targets in the winter of 1951 and the mounting "class warfare" on the land resulting from forced collectivization of the peasantry appear to have led to the purge of the moderate nationalist group. Such individuals were gradually eliminated from all positions of power during 1950 and 1951. Even an obedient Communist tool like Kadar apparently could not be trusted to implement Soviet directives correctly.

The dreary series of purges opened with clean-ups in the army and the AVH. The last remaining high-level nativist officers including General Laszlo Solyom, Chief of Staff, were removed from the army in the summer of 1950. Next, certain AVH officials who had participated in the collection of evidence for the Rajk trial were eliminated. During this purge, Farkas succeeded in gaining greater influence by installing his son as chief of the department of foreign intelligence (including operations in Yugoslavia). Political reliability became the secret of success in the army and the security service.

In the autumn of 1950, the purge extended to the Social Democrats. Even such stalking horses for the Communists as

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Arpad Szakasits and Gyorgy Marosan disappeared into prison under a barrage of charges by Rakosi that they had been in communication with British, American and Yugoslav espionage organizations. No doubt their availability as collaborators had been seriously impaired by the imposition of Soviet work norms and methods on Hungarian workers, although there is no available evidence to show that they opposed these measures. The removal of the Social Democrats--except faceless collaborators--was accompanied by the Sovietization of the labor unions to give full control to the regime.

The pretense of moderate nationalist representation in the party and government continued for a few more months. When Kadar resigned as Minister of Interior in July 1950,* he was replaced by a member of the Debrecen group, Sandor Zold. Moreover, at this point Imre Nagy returned to the government as minister of food, presumably because his talents could be put to good use in this sector.

The second Hungarian Workers Party Congress (February-March 1951) marked the end of the last show of a broadly-based party. Rakosi and his Muscovite colleagues held the stage, calling for a vast speed-up in industrialization to meet with Soviet demands resulting from the Korean war. This appears to have been the last blow to the willingness of doctrinaires to draw upon moderate support. In the spring of 1951, one after another, the old-time Hungarian Communist labor and intellectualist elements disappeared into prison. By the end of the year, Kadar, Kallai, Zold, Losonczy, and Donath were in prison. Only Istvan Kovacs held out as an ostensible nativist representative in the Politburo.

The elimination of the moderates evoked widespread hostile reactions among the populace and in the party itself. The disappearance of Kadar instantly provoked violent indignation within the party. Trials of the purgees were held in secret for fear that publicity would lead to a schism in the party. According [redacted] when Kadar was believed to have been executed, large numbers of threatening letters were addressed to party functionaries by individuals who signed themselves "Kadar Guard."

* Kadar ostensibly was relieved at this time to accomplish "other important work"; Istvan Kovacs was concurrently relieved of his position as secretary of the Greater Budapest party organization for the same purpose. It has been speculated that both men took part in the purge of the Social Democrats.

CHAPTER IV

THE STALINIST PARTY

(1951-1953)

1. Rule of the Rakosi-Gero Clique

With the elimination of the remaining moderate nationalists, Rakosi ruled Hungary with the aid of a small band of Muscovites, among whom Gero was clearly pre-eminent, and a rising group of young "hard" Communist careerists of pronounced Soviet orientation and a minimum of Hungarian national sentiments.* The Hungarian Workers Party with its adjunct the AVH ran the Hungarian state--but the party in effect was the inner clique of Muscovites.

Industrial enterprises of the country, labor unions and agriculture were firmly under control of the party overlords. Such young fanatics as Istvan Hidas and Andras Hegedus were pulled into the central committee during 1950 and 1951 and rapidly promoted with a view to taking over top party leadership of heavy industry and agriculture. Another newcomer, Arpad Hazi, a Gero protegé and former chief of the economic security agency (State Control Center), was appointed minister of interior in April 1951.

* The Rakosi-Gero clique includes the following individuals and their special fields of interest (underlined names are individuals identified on 14 November by the central executive of the Hungarian Socialist Workers Party as adherents of the "harmful policy of the Rakosi clique"): Erzsebet Andics (ideology; women), Antal Apro (labor), Andor Berei (economic planning and foreign affairs), Mihaly Farkas (security, military and youth affairs), Istvan Friss (economic matters, Erno Gero (over-all economic direction), Arpad Hazi economic and civil police functions), Andras Hegedus (agriculture), Istvan Hidas (heavy industry), Marton Horvath (director of Szabad Nep), Karoly Kiss (cadre and foreign affairs), Jozsef Kobol (labor problems), Istvan Kossa (industry, general trouble shooter), Istvan Kovacs (party cadre matters), Istvan Kristof (labor), Erik Molnar (foreign affairs, law and justice), Sandor Nogradi (military political affairs), Gyorgy Non (ideology and justice), Karoly Olt (finance), Laszlo Piros (security), Jozsef Revai (ideology), Bela Szalai (planning), Bela Veg, Zoltan Vas, Mihaly Zsofinyecz, Lajos Acs (party cadre affairs) and Istvan Bata (army). Certain of these individuals (Apro, Kiss, Kobol, and Kristof) represent somewhat more moderate tendencies.

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The party had taken over control of youth and regimented it in the Hungarian Youth Association (DISZ). Protegés of Rakosi--e.g., Bela Szalai and Gyorgy Non--dominated the organization in the interests of the ruling clique. Factionalism among the some 659,000 members was ruthlessly suppressed by continued indoctrination and para-military training on the Soviet model.

In the party, no opposition was permitted. Chief representatives of opposing tendencies were dead or in prison; rank and file opponents were reduced to silence. Rakosi, boasting of the success of his "salami slicing" methods, might better have described them as the destruction of every element which gave any popularity to the regime. It was only too plain to all Hungarians that Rakosi's assertion was brutally true that Communist power rested in the last analysis on the presence of Soviet troops.

2. Increased Pressure on the Rakosi Leadership (Spring-Summer 1952)

Despite the success of these control measures, from the early spring of 1952, Rakosi clearly was under sharp pressure as a result of the general deterioration of the country's economic position culminating in the disastrous crop failure of 1952. Although his rigid dictatorship based on absolute control of the party and the AVH continued to function as before, the appearance of anti-Semitic pressures in the Bloc (e.g., the fall of Ana Pauker in Rumania) threatened to encourage latent anti-Semitism in the Hungarian party as well as the nation as a whole.

3. Rakosi Asserts his Leadership (Autumn 1952)

Signs appeared early in 1952 that Rakosi might be under a cloud but by autumn he clearly was in full control of the situation. He assumed the premiership on 14 August, and took a series of steps intended to enhance his own personal standing, strengthen the top party leadership, purge "Zionist" elements in the AVH and improve the country's planning apparatus. His "salami tactics" speech of 29 February, received favorable comment, after long delay, in the party theoretical journal of June-July. The fact that this comment was written by Istvan Friss, generally looked on as liaison man with the Kremlin, was interpreted as signifying that Rakosi's ruthless methods received full Soviet approval. Reinforced by this endorsement, Rakosi gave enthusiastic encouragement to the "cult of personality" in Hungary.

4. Changes in the Relative Positions of the Top Party Leadership

Personnel shifts during the late autumn of 1952 had the effect of bringing forward an inner group of top leaders as the supreme heads of the government and party. This group included the Muscovites Rakosi, Gero, Revai and Nagy--but not Mihaly Farkas or Zoltan Vas--and a group of local "hard" Communists (Hidas, Hegedus, Istvan Kovacs, Arpad Hazi and Karoly Kiss), most of whom were of non-Jewish background. An eight-man committee appointed on 23 October to consider the report on the applications of the 19th Congress of the Soviet Communist Party (CPSU) included Rakosi, Gero, Revai, Nagy, Hegedus, Hidas, Kovacs and Hazi. The inner cabinet of five deputy premiers appointed on 15 November included Gero, Hidas, Nagy, Kiss and Hozi, presumably representing respectively over-all direction of industry, heavy industry, agriculture, foreign affairs and police and security affairs.

a. Up- grading of Imre Nagy: The re-emergence of Imre Nagy in the top echelon of the government and of the party pointed up the change in the relative standings of the hierarchy. His increased stature was emphasized by his being chosen to deliver the main address in honor of the Bolshevik revolution (6 November). The speech itself followed the usual Stalinist pattern, stressing statements made by Stalin, Malenkov, Bulganin and Rakosi at the party congress. Nagy's re-emergence suggests that the critical problems of Hungarian agriculture were under consideration but does not clarify the positions taken by the various policy makers either in the Soviet Union or in Hungary. Nagy himself had been a proponent of individual farming in 1945 but in more recent years had been identified with the harsh crop-collection methods applied during the 1952 drought. His attitude toward the forced-draft collectivization instituted during the fall of 1952 is not known.

b. Status of Mihaly Farkas: The omission of Mihaly Farkas from the top party and government bodies appointed during the autumn is striking. His failure to be appointed deputy premier meant that no representative of the Defense Ministry was included at this level. It is true that Farkas several days later was awarded the consolation title of General of the Army and that he continued to hold his position as minister of defense and politburo member until the following summer.

5. The "Anti-Zionist" Purge

The Hungarian counterpart of the Soviet doctors' plot was a thoroughgoing purge of Jewish elements in the AVH, Justice Ministry and, to a lesser degree, the Foreign Ministry. This purge appears to have been staged by Rakosi and Farkas in an effort to support the anti-Zionist campaign in the Soviet Union.

The Jewish leadership in Hungary was particularly vulnerable to charges of collaboration with "Zionist" agencies. Unlike the other Satellites, Hungary had never completely halted the operations of the Jewish welfare organization, the American Joint Distribution Committee (known as Joint). Since the agreement with Joint was made by Zoltan Vas with the concurrence of Rakosi, and since Rakosi also assumed final responsibility for security police operations, any purge of "Zionist" elements in Hungary threatened to involve the very top of the hierarchy. Farkas, moreover, was also deeply implicated in security police misdeeds. His son was chief of the important foreign intelligence department of the AVH and Farkas long had played a key supervisory role for the party.

The sequence of events as narrated by [redacted] shows that the purge began before Christmas 1952, when Rakosi reportedly authorized the arrest of Gabor Peter, chief of the AVH, and other high officials. These orders were executed by Farkas and his son shortly after Christmas. Young Farkas announced, at a meeting of AVH division chiefs held on 13 January 1953, that the arrests had been effected on the basis of evidence supplied by the party which had kept the arrestees under surveillance for some 18 months prior to their actual arrest. Farkas informed his colleagues that Peter had carried on a conspiracy within the AVH, was an American agent and had been an informer under the Horthy regime.*

The purge was revealed to the public in a barrage of anti-Zionist and anti-Western propaganda published in comment on the

[redacted]

Soviet doctors' plot. On 15 January, Szabad Nep announced that in Hungary "the danger and possibility of hostile undermining work is much greater" than in the Soviet Union. Newspapers declared that a "Zionist plot" had been unearthed, centering in the American Joint Distribution Committee and supported by American, British and Israeli intelligence organizations. The arrests of several leaders of the Jewish community, including the brother-in-law of Zoltan Vas, were disclosed. Finally, on 8 January, the removal of minister of justice Gyula Decsi was announced. In the meantime, both Peter and Vas had disappeared from the public view.

A new leadership replaced the Gabor Peter clique in the AVH. Laszlo Piros, former chief of the border guard and reputed protegé of Gero, became acting commander. An alternate member of the politburo and Moscow-trained partisan fighter in World War II, Piros fulfilled two major requirements: he represented the young "hard" party leadership and he was not apparently Jewish.

6. Removal of Zoltan Vas as Planning Chief

The possible ramifications of the alleged Zionist plot cannot be suggested without reference to the reported struggle between Zoltan Vas and Erno Gero to fix responsibility for the economic crisis which was reducing Hungary to bankruptcy. The tip-off was given by Gero in his November report to the central committee of the party. At that time, Gero sharply attacked the State Planning Office directed by Vas for poor work--altbough Gero himself, as economic czar, obviously bore final responsibility.

The precise economic doctrines espoused by the two men are not known. Vas, as chief of the Supreme Economic Council until June 1949 had been associated with a number of shady deals calculated to turn a quick forint to save the financially hard pressed regime. Gero, as chief of the Peoples Economic Council established in 1949 appeared to follow more orthodox methods of industrialization. Vas, an opportunist of many skills and amazing political agility, probably was personally antipathetic to the rigidly puritanical Gero. Vas, moreover, was personally vulnerable: he had been closely related to several high-level defectors and was directly involved in the security police purge through his connection with the Joint agreement.

Information on the possible backing of Gero by individuals in Moscow is scanty. [redacted] states that Gero called on Eugene Varga for support. Varga allegedly came to Budapest and underwrote Gero's policies. This support emboldened Gero to continue his

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attack on Vas. [redacted] report that Vas was dismissed from the Planning Office after Gero forced him to admit to "gaping indolence" in the discharge of his duties. He was replaced by Ferenc Herceg, an obscure functionary in the Planning Office.

Vas probably was saved from severe punishment by the intervention of Rakosi and the death of Stalin. Although the report that Rakosi appealed to Suslov to save Vas from trial has not been confirmed, it is possible that Rakosi used this channel to save his old friend from involvement in the purge of Beria elements in Hungary.* As a result, Vas' punishment was limited to dismissal from the Planning Office and banishment to the Komlo hard coal mines as director, presumably for the purpose of purging himself of guilt by demonstrating his merits as a good Communist manager. Although his elimination from the politburo was not immediately revealed, it was clear that his career as a top government and party official was at an end.

7. Alleged Rakosi-Gero Rivalry

It would be an attractive hypothesis to speculate that the dismissal of Vas and the security police purge were reflections of an alleged rivalry between Gero and Rakosi for top position in Hungary. During the winter and spring of 1953 individuals who had been particularly associated with Gero--Piros, Hazi and the new planning chief Herceg--were in the ascendant, while individuals who had been closely associated with Rakosi--notably Vas--were under a cloud. There is, however, no firm evidence to substantiate this contention. It is more likely that Rakosi, in order to cope with the desperate economic situation, sacrificed his friend Vas as he had jettisoned a long line of earlier protegés. All evidence points to Rakosi and Gero working very closely together to set up a system which would satisfy Soviet requirements and ensure the continued tenure of power by their own clique.

* Vas was also said to be a personal friend of Soviet Marshal Voroshilov and his wife.

CHAPTER V

THE NEW COURSE: PHASE 1

(March 1953-April 1954)

1. Immediate Consequences of Stalin's Death

a. Status of the Ruling Clique: The abrupt announcement on 6 March that the old despot was dead gave a breathing space to the Rakosi clique. Rakosi went to Stalin's funeral, attended by a new protegé, Rudolf Foldvari, who appeared out of the blue at this juncture. The continued high position of Imre Nagy in the government was confirmed when he was chosen to deliver the principal memorial address in parliament (8 March). Gero's position appeared unchanged. In short, the Rakosi clique gave every evidence of being in full control of developments.

b. Partial Reversal of the "Zionist Plot": The immediate reaction to Stalin's death was the partial reversal of the Hungarian "Zionist Plot." The party press on 10 March reported that a doctor at the AVH hospital had been arrested for illegal use of "truth" drugs on prisoners and noted that two other doctors had been suspended at the same time. One of the latter had recently written a denunciation of the arrestees in the Soviet doctors' plot. Later evidence identified the drugged patient as a close associate of Gabor Peter. Nevertheless, Peter was not released.

Six days later, the elusive Zoltan Vas was partially rehabilitated. He appeared at the opening of parliament, smiling broadly and arm-in-arm with two old friends. It appeared that certain members of the Rakosi clique had been saved by the opportune death of Stalin.

2. Indications of Vacillation and Lack of Directives

The three months following Stalin's death form a period of confusion and conflicting "hard" and "soft" tendencies in Hungary. Although proponents of the "hard" course appeared to hold the upper hand, representatives of a new "soft" approach began to raise their heads. This confused situation clearly indicated an absence of firm directives from Moscow and the consequent insecure position of Rakosi.

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a. Rakosi and "Proletarian internationalism": The initial propaganda line of the new era was set by Rakosi in an article in Pravda (11 March), while he was still in Moscow, entitled "The invincible Stalinist banner of proletarian internationalism." Rakosi presented the orthodox themes of Stalin worship, imitation of the Soviet Union and denunciation of imperialism. There was no hint of softer policies to come.

The choice of Arpad Hazi, who was popularly credited with carrying out the anti-Zionist purge, to deliver the 4 April "Liberation Day" address also marked a victory for the doctrinaires. The speech gave evidence of last minute preparation--it was based almost entirely on a very "hard" article just published in the Cominform journal by Szabad Nep editor Marton Horvath. Campaign speeches prior to the 17 May elections likewise bore the stamp of the doctrinaires. The clearest evidence of the continued domination of orthodox emphasis on heavy industry was presented in Rakosi's revelation of plans for the second Five Year Plan due to begin in 1955. Other articles and pronouncements bore a similar imprint.

b. Possible First Evidence of the "Thaw": The first sign of the "thaw" appears to be an article of 11 April by Laszlo Hay, first deputy minister of foreign trade, emphasizing the satisfaction of the "constantly increasing material and cultural requirements of the whole society." In a discussion of Stalin's Economic Problems of Socialism, Hay underlined the theme that the party had the primary duty of "caring for men," increasing "the well-being and education of the people" and supplying "ever-increasing quantities of consumers goods" to the people. Various other themes later identified with the New Course were voiced by Hay in this article.*

* Hay himself was identified with the ruling Rakosi clique but as deputy foreign trade minister had stood somewhat out of the main line of "Stalinist" policies. During World War II, Hay had served in the Soviet Ministry of Foreign Trade under Mikoyan and, in the spring of 1952 had attended the Moscow International Economic Conference. His emergence as harbinger of the New Course in Hungary assumes special interest in this context.

3. Prelude to the Announcement of the New Course

Immediate antecedents of the announcement of the New Course included a reported major purge of the judiciary and State Prosecutors Office (early June), a visit by Rakosi accompanied by Farkas to Moscow (early June), a counterpart trip of Voroshilov to Budapest (19 June) and the sudden appearance of a campaign of letters of complaint addressed by workers to the party. These developments may have been accelerated by the East German rebellion of 17 June and the Czech riots at Plzen at the end of May. Although evidence is lacking, these developments suggest that the party leaders may have received the nod from Moscow to go ahead with a program of conciliating the masses.

On 21 June, the New Course was directly foreshadowed in a Szabad Nep article which asserted: "We realize that the standard of living must be constantly raised. We have received a lesson from the people. In Hungary...neglect of the workers' interests is apt to seriously weaken the ties between the Party and the masses."

4. The New Course

a. The Program: The New Course, announced abruptly between the end of June and 4 July, was designed to unify and revitalize the party through the formula voiced by Imre Nagy calling for the creation of a genuine popular Communism and encouragement to the national pride of Hungarians. The counterpart of this political program was a more popular system of economics aimed at giving better support to private farming in order to augment production and providing more consumer goods for the needs of the people. In the new terminology, the devils were "burocracy," "excessive industrialization" and "mechanical imitation of the Soviet Union;" the magic words were "collective leadership," "socialist legality," and "unity."

b. Rakosi and Nagy: The New Course was dominated by two personalities, Matyas Rakosi and Imre Nagy. Rakosi, the old master of Communist tactics, at the beginning obviously felt sure that he could control the country's evolution toward a period of greater relaxation, through

his complete domination of the party network, and thus retire into the background without surrender of essential positions. The repeated endorsement given his leadership by Marshal Voroshilov and Suslov suggests that the Soviet party leadership approved of his approach to the problem of effecting the transition from the Stalin regime to a new and as yet undefined era.

Imre Nagy, in July 1953, was the least known of the major Muscovites who arrived in Hungary with the Soviet armies. In the popular mind, his identification with the land reform had been somewhat compromised by his harsh tactics as crop control minister. Nevertheless, he alone among the original top Muscovites enjoyed sufficient popularity to enable him to announce a program of incentive measures intended to regain goodwill and increase production in Hungary. Moreover, as a Soviet-trained agricultural expert, he had stature to undertake a program designed to expand Hungary's agricultural production. He had given evidence of genuine leadership qualities in 1945; at other periods he had demonstrated his ability to perform an assignment competently.

From Rakosi's viewpoint, Nagy at this time probably appeared to be personally weak and therefore well fitted to be a tool of the party leadership. Still suffering from the stigma of the 1949 censure, Nagy might be expected to show docility to party direction. The increasing self-confidence and authority which marked Nagy's career after the summer of 1954 probably came as a surprise to Rakosi.

5. Announcement of the New Course

The New Course was revealed in Hungary in two steps,--the party reorganization of 27-28 June and the government reshuffle of 2-4 July. At a meeting of the central committee, following a visit by Rakosi to Moscow, outwardly drastic changes in the top party leadership were announced. Thirteen top-level politburo members were dropped, including three of the original six

top Muscovites (Farkas, Revai, Vas) and the body--now called the political committee--was reduced to nine full members and two alternates. The orgburo was abolished, while the secretariat was completely recast. Rakosi retained his leadership as party first secretary, with two rather obscure young men as secretaries. By these moves, the political committee was reduced to a hard core "collective leadership" while the secretariat, with expanded policy-making powers, was the docile instrument of Rakosi.

On 4 July, Imre Nagy, as premier, spelled out the elements of the New Course. Concurrent changes in the government were announced to streamline the governmental machinery. Assignments to the new cabinet underlined the continued control of the Rakosi clique, although Rakosi himself was replaced by Nagy. Two deputy premiers were named--Gero and Hegedus. Gero took the key post of minister of interior. Several young Moscow-oriented men assumed important ministries, notably Hegedus as minister of agriculture and Bela Szalai as chief of the State Planning Office. Revai left the Ministry of Peoples Culture but dominant control continued to be exercised by a protegé of Rakosi, Gyorgy Non.

a. Status of Farkas: Mihaly Farkas was dropped from the Politburo and lost his post as minister of defense. His lack of military training probably disqualified him for retention of the defense post where he was replaced by an officer with better qualifications. His past association with security police matters may also have constituted a serious liability in an epoch when the Kremlin sought to show its repudiation of security policy tyranny by the dramatic purging of Beria and his associates. Doubtless he owed his restoration to high position to Rakosi. In any case, he was appointed secretary of the central committee on 16 August.

b. Gero as Minister of Interior: The appointment of No. 2 party leader Gero as minister of interior and the concurrent incorporation of the AVH within the ministry reflected the obvious concern of the ruling clique over retaining the closest possible control of the security police. According to [redacted] the move was a victory for the AVH itself, since it was enabled in this manner to establish control over the regular police, and to strengthen its own position within the government. The acting chief of the

AVH, Laszlo Piros, became first deputy minister of Interior and later replaced Gero as minister. The continued exceptional jurisdiction of the AVH over cases of anti-regime activity was assured by assigning to them investigations of cases involving treason, espionage and "other especially dangerous anti-state criminal activity."

6. Rakosi's 11 July Pronouncement

Repercussions among middle and low level party leaders confronted with these developments were immediate and shattering. These functionaries obviously were unprepared for the sudden shift in tactics and apparent goals announced by Nagy. They were not sure whether there had been a real change in the party leadership itself. Officials in the countryside, faced with the unauthorized exodus of farmers from collectives, sometimes fled to the city. The demoralization of the party officials constituted the first serious blow to the party's hold on Hungary following Stalin's death.

In this situation, Rakosi took the rostrum on 11 July to reassure officials that the new policies were genuine but that basic Communist doctrines would not be sacrificed. He also asserted that high party officials eliminated from the Politburo and governmental posts had not been purged but merely reassigned to other duties. He betrayed a doctrinaire attitude on agricultural politics. "The kulak," he declared, "remains a kulak.... The leopard cannot change his spots."

Rakosi's move had two consequences. It clearly showed that only the old master himself at this juncture was able to command the allegiance of the party machinery which he and his Muscovite associates had brought into being. Upon the general public, however, the address produced an immediate dampening effect. Nevertheless, even Rakosi's partial endorsement of the new policies had the effect in the long run of convincing the public that certain genuine benefits and a real relaxation of tension were in prospect.

7. Doctrinaire Opposition to New Course Economic Policies

The basic lines of doctrinal opposition to New Course economic policies became clear in October. At the meeting of the party central committee, "left-wing" critics apparently championed the view that only orthodox Communist remedies--stepped-up industrialization and coercion--could cure Hungary's basic economic ailment, low productivity. A more moderate group appeared to believe that concessions along New Course

lines were a necessary temporary expedient to regain control of the situation prior to the inauguration of the Second Five Year Plan. At this meeting, Rakosi supported the Nagy policies.

a. Extreme Doctrinaries: The spokesman for this group appears to have been Istvan Friss, a "mysterious hunchback" who long had acted as economic liaison man with Moscow. This group was subjected to sharp criticism by the central committee resolution published on 6 November for "lack of understanding, adherence to the old and accustomed way and even opposition." Singled out for special criticism were the State Planning Office, the Ministries of Heavy Industry, of Foundry and Machine Industry and the planning and financial section of the central committee--i.e., Friss.

b. Moderate Doctrinaires: During the first months of the New Course Gero identified himself with a moderately critical attitude toward the Nagy policies, in line with Rakosi's position. It became apparent, however, that the sacrifice of orthodox industrialization policies to the necessity of building up the agricultural sector and gaining popular goodwill was basically antipathetic to Gero. Nevertheless, in his Lenin Day address (January 1954), Gero performed self-criticism for past "exaggerated policy of socialist industrialization" at the expense of the standard of living of workers. He endorsed Nagy's policies, although with certain reservations. For example, he declared: "Every socialist country must support the peasants to the full--and small farmers as long as they remain small farmers."

8. Strengthening "Collective Leadership"

During the autumn of 1953, warnings that "collective leadership" must be strengthened became increasingly frequent. These warnings reached a crescendo in January on the eve of elections for delegates to the Third Party Congress due to meet in the spring. The official party newspaper during this period urgently instructed party members to unseat the "little kings" and "burocrats" who had domineered over the party and robbed members of initiative.

9. The Repercussions of the Beria Case

Rakosi managed with his old skill the domestic repercussions of the Soviet announcement of Beria's execution. On 13 March,

Hungarian authorities released the news that Gabor Peter had received a sentence of life imprisonment for "crimes against the people and state," while other former security police officials also had been given heavy sentences. Lesser individuals involved in the "Zionist plot" were given shorter prison terms for such minor offenses as black-market operations. Some were released. The liquidation of Soviet holdings in Hungary also passed off without incident. Outwardly at least, it appeared that Hungary might be throwing off the onus of "Stalinism" without serious political repercussions.

CHAPTER VI

THE NEW COURSE: PHASE 2: NAGY ASSERTS LEADERSHIP

(May-November 1954)

1. The Third Party Congress (24-30 May)

At the third congress of the Hungarian Workers Party, Rakosi clearly appeared to dominate the party. Just home from a visit to Moscow with Nagy and Gero, Rakosi appeared in company with his old friend Voroshilov who acted as Soviet representative at the congress. Voroshilov's speech sharply underlined the necessity of collective leadership, avoided personal endorsement of either Rakosi or Nagy, and emphasized Hungarian national traditions, including "traditional" Hungarian-Soviet friendship.

Rakosi's five-hour address was marked by emphatic declarations that new course tendencies would continue under the Second Five-Year Plan due to start in 1956 in co-ordination with the other bloc countries. His stern warnings against "right-wing opportunistic" excesses, however, reveal that party leaders were seriously alarmed at evidence of relaxation of discipline coming to light in the party and nation. He emphasized the necessity of "iron discipline" and declared: "The correct policy of our party must be defended against both left-wing and right-wing dangers and distortions.... We must take a stand everywhere against the spirit of impermissible liberalism and forbearance, which prevails in many places in our party and government." He disclosed that the very large number of withdrawals from collective farms was causing concern to the regime and made clear that collectivization would continue: "Not for a moment can we forget that this unavoidably is the road to build socialism in the countryside." He also revealed that a new Peoples Front was to be formed in the near future.

Gero's report on industrial problems was even more pessimistic in tone than Rakosi's address, marking him clearly as the leader of the doctrinaire--though reasonable--critics of the new course. He emphasized that the country's economic problems were not being solved by the new measures but were even growing. He dwelt on declining productivity and rising production costs. His gloomy evaluation was echoed by his young "hard" disciple, Istvan Hidas.

Imre Nagy, in his address to the congress, reflected greater authority than had previously been noted by observers. In his

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report on governmental policies, he laid major emphasis on the necessary separation of government and party, stressed the role of local government organs and demanded much closer contact between party and government functionaries and the masses of the people. It was evident that he interpreted his mission as calling for the establishment of popular confidence in the regime, although in a completely "Leninist" sense. The vehicle for gaining this popularity was to be the new Peoples Front, "that broad and all-inclusive mass movement, the backbone of which is the worker-peasant alliance...." This definition obviously differed from the concept of Rakosi which remained that of a party functionary.

Certain organizational changes were made at the congress which had the effect of strengthening collective leadership. The political committee was reduced to seven full members and two alternates.* The secretariat was stripped of its policy-making powers, in theory at least, and under the revised party statutes became an administrative body.** Subsequent evidence suggests that elections to the central committee by the congress made it more responsive to the leadership of Imre Nagy.

2. Emergence of a "Nagy Team"

The first significant appointment indicating that Nagy was beginning to build up a special governmental team to implement his policies occurred prior to the congress. On 27 March, Nagy appointed Zoltan Szanto to head a newly instituted information bureau reporting directly to the Council of Ministers.*** The new bureau was at least nominally independent of the Ministry of People's Culture. Szanto's deputy, appointed somewhat later, was Miklos Vasarhelyi, a leading journalist who later took an important role in the so-called Writers Revolt. It seems possible that the information office was one of the connecting links between Nagy, as head of the government, and the group of young Communist intellectuals who were pushing for reform at a rate faster than the party leadership desired.

* Full members were: Rakosi, Gero, Nagy, Farkas, Apro, Hidas, Hegedus, Acs and Szalai; candidate members were Bata and Mekis.

** Rakosi and Farkas were the only well-known members of the secretariat. Other members were Acs, Veg and Matolcsi.

*** Szanto was subsequently elected to the party's central leadership at the third party congress. A brother-in-law of Jozsef Revai, he was ambassador to Yugoslavia prior to 1949. After the break with Tito, Szanto was appointed minister to Paris where he remained until his appointment to the information office.

A second Muscovite who rose to high position during the Nagy era was Ferenc Munnich, Nagy's former colleague on Radio Kossuth during World War II. On 1 September, Munnich was chosen to serve as Hungarian ambassador to Moscow, thus achieving for the first time a rank commensurate with the reputation he had enjoyed in earlier years as a leading Hungarian Communist. The fact that both Szanto and Munnich, both Spanish Civil War veterans and "old Bolsheviks," would presumably be acceptable to Tito may have played a part in motivating these appointments.

A third Muscovite who seems to have prospered during the Nagy era was Laszlo Hay, long-time deputy minister of foreign trade who on 6 July was advanced to full minister. It will be recalled that Hay's article of 11 April 1953 was one of the earliest public appearances of new course doctrine on consumers goods and welfare of workers.

Other individuals who now or later were closely identified with the implementation of the Nagy policies were his son-in-law Ferenc Janosi and several younger Communists including Geza Losonczi and Ferenc Donath. Janosi occupied the position of first deputy minister of people's culture for the period 1951 to 1955, with the exception of a short interval between March and July 1953 when he was apparently replaced by Rakosi's protege Gyorgy Non. Losonczi and Donath had been closely associated with Nagy in the immediate post-war period during the implementation of the land reform and popular front policies.

Two of Rakosi's former closest associates were linked with the Nagy regime--Mihaly Farkas and Zoltan Vas. Farkas appears to have been seeking to bolster his own position, exceedingly

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shaky as a result of mounting attacks throughout the bloc on past security police misdeeds. Zoltan Vas, opportunist and scapegoat for economic failures under the First Five-Year Plan, apparently also sought to work his way back to a position of power by supporting Nagy. From March 1954 he was attached to the Council of Ministers in an undefined economic capacity.

3. Party Dissension over Role of Patriotic People's Front

The first evidence that Nagy, in an effort to win popular support for the regime and implement new course policies, would attempt to circumvent Rakosi's directives appears in party discussions leading to the formation in August of the Patriotic People's Front (PPF). It is also possible that Nagy was able to exert greater influence on Szabad Nep during the summer. Observers noted that this newspaper began to show signs of considerably freer criticism of conditions in Hungary.

As envisaged by Rakosi at the party congress, the front was designed to be another means of regimenting the public, organized in Communist-controlled mass organizations, for the purpose of endorsing the government policies in the local government elections scheduled for 28 November. According to Rakosi's report to the central committee on 14 April 1955, Nagy from the outset disagreed with the party leadership on the composition and functioning of the PPF. Nagy, who was not present at the party meeting, had contended that the front must be formed by individuals and not mass organizations. Rakosi rejected this proposal on grounds that the PPF would become a "political organization," i.e., a rival of the party itself. The matter appears to have been left in this form for consideration by the forthcoming central committee meeting.

4. The "Test of Strength" (1-3 October)

The meeting of the central committee on 1-3 October was, in Nagy's phrase, the "test of strength" between new course adherents and their critics. An open clash apparently occurred when the latter demanded that curbs be placed on the purchasing power of peasants in order to halt inflation. Nagy countered with strong arguments that the confidence of the peasants must not be destroyed by such measures if the regime hoped to increase agricultural production. Instead, their confidence must be

retained by augmenting the supply of consumers goods. He sharply condemned the defenders of accelerated industrialization and charged such policies "undermined" the worker-peasant alliance. He further charged: "The faults of our economic policy" and "mistakes in party leadership" had the same root: "one-man" leadership. This address, published in Szabad Nep on 20 October, was the clearest statement to date of Nagy's doctrine.

Nagy was able to carry the majority of the central committee along with him, apparently over the head of Rakosi. The committee resolved to continue New Course policies and condemned "resistance fostered by ideologically unsubstantiated and mistaken conceptions which mean to solve our difficulties by a curtailment of purchasing power--that is, by lowering the standard of living of workers and peasants." The resolution further excoriated the "resistance...fostered by those who regard certain measures aiming at the development of agriculture...as a one-sided peasant policy." It called upon the political committee to formulate "within this year" a detailed program for the application of new course policies. This resolution was published in Szabad Nep, three weeks after the meeting on 22 October.

All the top party figures--except Rakosi--now published endorsements of the central committee resolution, emphasizing different facets of the doctrine. Farkas, speaking to university activists on 28 October, condemned "mechanical imitation of the experience of the Soviet Union" and made the point: "In our country the building of socialism proceeds in an international context entirely different from that of the USSR.... What was correct in the Soviet Union had proved wrong in our country, in a historically totally different situation." Zoltan Vas, in Szabad Nep on 27 October, laid himself open for future criticism by stigmatizing as "irrational" the concept--dear to doctrinaires--of Hungary as "a land of iron and steel " and ridiculing the great Stalin City (Sztalinvaros) show project. Erno Gero, who more than any other individual was responsible for "old course" policies, had the task of reaffirming the decisions of the central committee. He declared: "Those who stand in the way of party policy must be swept aside!"

As a direct warning to "left-wing sectarians," Istvan Friss was relieved of his functions as chief of the party's economic and financial department and relegated to an honorary post. Simultaneously, a ministerial reshuffle placed Bela Szalai, former planning chief, at the head of the Ministry of Light Industry with the mission of stepping up consumers goods production. On the other hand, the appointment of Andor Berei, an old-time associate of Gero, to replace Szalai as chief of the planning office was not reassuring to new course proponents. Moreover, Erik Molnar, Rakosi's long-time tool, now took over the Ministry of Justice.

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This central committee meeting marks the high point of Nagy's control of the party. But the departure of party leader Rakosi for Moscow, either during or immediately after the central committee meeting, was a clear warning that he was exceedingly concerned over exaggerated new course tendencies and was consulting with friends in the Kremlin.

5. Patriotic People's Front

The two-month period during which Rakosi remained in Moscow was the high point of the Nagy era. In Rakosi's absence, Nagy remade the PPF to conform with his own interpretation--i.e., to embody "the poetic concept of the people's sovereignty" and, if possible, reawaken the genuine communist enthusiasm of the postwar period. Szabad Nep set the tone in a 10 October editorial denouncing "left-wing narrowmindedness, factionalism" and calling for party domination of the new organization. Nagy induced the central committee to elect the author Pal Szabo as president of the PPF and, as secretary general, his own son-in-law, Ferenc Janosi. Nagy also induced the politburo to adopt as the official PPF organ, not Szabad Nep, but the unaffiliated newspaper Magyar Nemzet. The ostensibly non-Communist editors of this newspaper were kept at the helm.

By these steps Nagy provided himself with a political organization and newspaper independent to some degree of Rakosi's control. From its first congress (23-24 October), the PPF strongly emphasized "Hungarian" themes that drew support from young party intellectuals and provided a forum for ambitious newcomers in the countryside. Intended--as its president, Pal Szabo, phrased it--to "deliver the country from indifference, apathy and strife," the PPF afforded a platform for opposition forces who had been barred from free expression by the stranglehold of the Rakosi clique on intellectual life.

6. Release of "Victims of Stalinist Oppression"

Following the central committee meeting of 1-3 October, Istvan Kovacs revealed that the regime had begun to release Communists "unjustly" imprisoned on the basis of evidence falsified by former AVH chief Gabor Peter and his associates. This move, intended to restore initiative and unity to the party, came as a result of Soviet pressure on the Rakosi regime. The releases may also have been designed to facilitate the resumption of friendly relations with Yugoslavia.

Members of the nativist group arrested in 1951 were the first to reappear. Janos Kadar was reportedly liberated in

September and was immediately appointed to head a district party organization in Budapest. Gyula Kallai was freed about the same time. Other party moderates were released concurrently. The institution of the PPF gave a mechanism where their services could be utilized pending their full rehabilitation by the party. Both Kadar and Kallai were elected members of the PPF council at its October congress.

Other political prisoners were liberated later in the autumn, including Noel and Herta Field former Social Democrats like Gyorgy Marosan and even right-wing socialists who had opposed fusion with the Communists were released in coming months in a move to evoke favorable comment from foreign socialists who had long agitated for the releases.

The liberation of large numbers of arrestees, many of them not completely rehabilitated, meant that many embittered, fearful men had been given a measure of freedom which might be withdrawn at any time by a change of policy. For this reason, any future indications that the regime intended to revert to harsh coercive tactics might drive certain of these individuals to join with any resistance forces which might be available. But, more immediately important for the Rakosi leadership, the move greatly reinforced opposition forces within the party and pointed up the incongruity of continued retention of power by men who, like Rakosi and Farkas, were identified with the avowedly unjust punishment of former party leaders like Janos Kadar.

7. Status of Affairs, Autumn 1954

Foreigners noted during the summer and fall of 1954 a change for the better in the well-being and self-confidence of Hungarians. Economic conditions were somewhat improved and consumers goods were more available. Peasants enjoyed a real increase in their standard of living. These improvements were accompanied by a growing popular willingness to criticise the regime and demand changes in the Communist system--or even a completely new system. Leaders of the PPF echoed these criticisms. Taking their cue from the far-reaching castigation of past and current mistakes embodied in the central committee's October resolution, these orators and writers touched on all aspects of the national life.

Nagy's opponents manifested growing concern over the unstable economic situation in the country, rising unemployment resulting from economy measures, continued low labor productivity, and the growing independence of private peasants who appeared to be reaping the harvest of the new course. The Communist managerial class, uneasy at the possibility that

de-emphasis on heavy industry would threaten its empire, sabotaged measures for converting to consumers goods production. Spokesmen for this class even suggested that implementation of the new course policies would require a complete transformation of the whole Communist economic system (e.g., radio statement by Pal Rubinyi, a functionary in the Ministry of Internal Trade, 2 November). These fears were exacerbated by alarm at the political tendencies of new course proponents--Nagy's increasing reliance on the PPF at the expense of the party and sharpening criticism of past mistakes. Orthodox Communists feared that encouragement of criticism would spark popular hatred of Communism and set off an explosion. To some Communists, their regime appeared to be in danger.

Stinging criticism of the youth organization, DISZ, by PPF president Pal Szabo on 14 November and more moderate criticism by Farkas on 28 October, appear to have been the last straw. Minister of People's Culture Darvas, an old Rakosi puppet, on 21 November delivered a resounding rebuke in the columns of Szabad Nep. Charging that public criticism stimulated by the new course was overstepping all bounds, he denounced "anarchistic views" in the cultural field and declared: "We will be guilty...unless we oppose the petty bourgeois practice of overstatement, criticism, demagogy, undermining of confidence, denunciation of our past achievements, petty bourgeois revisionism and the destruction of the faith and confidence of our people."

CHAPTER VII

RAKOSI'S RETURN TO POWER

(December 1954-January 1956)

1. Rakosi Takes Over

Rakosi reintervened decisively to check growing criticism encouraged by the PPF. Returning from Moscow on 27 November with a strong Soviet endorsement, Rakosi on 3 December delivered a slashing onslaught on critics of the Communist youth organization. "The party repudiates most sharply the attacks against DISZ which," he declared, "under the pretext of real failures of the organization, tend toward the elimination of DISZ and the weakening of the party itself." The party clearly was exceedingly reluctant to surrender one iota of control over the youth organization and looked on proposals for reform as directed against the party itself.

At a special commemorative meeting of the Hungarian parliament held in Debrecen on 22 December, Rakosi made his return to the helm even more apparent. He delivered a typically "hard" address, demanding strengthened discipline in all sectors of national life, greater emphasis on industrialization and increased stress on collectivization. It was clear to all observers that Rakosi had openly taken charge.

Doctrinaire elements in the party who had remained relatively neutral in recent months were encouraged by Rakosi's endorsement by the Kremlin--which had been communicated to the party--to take a stronger line against New Course tendencies. Nevertheless, it remained to be determined how far the reversal would involve changes in economic and political policies or how many individuals would be demoted. Party leaders at all levels showed major confusion in this situation.

The return to orthodox Communist emphasis on heavy industry was announced by Szabad Nep in its New Year's Day editorial. Rakosi spelled out the new line on 23 January, in a speech to miners. He declared that "the vigorous program of industrialization" would be followed during the Second Five-Year Plan due to begin in 1956. These pronouncements resembled statements made by Khrushchev during December and January.

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2. Condemnation of the Nagy Policies (March)

The demotion of Malenkov was announced on 6 February; two days later Molotov referred to "serious shortcomings" in the Satellites. These Soviet moves were immediately followed in Hungary by measures against Nagy and his adherents. Nagy's son-in-law Janosi was replaced as first deputy minister of people's culture on 19 February by Rakosi's special protege Gyorgy Non. On the 20th, it was announced that Nagy was ill with coronary thrombosis. From this point until the autumn of 1956 Nagy remained out of power.

Soviet endorsement of the forthcoming condemnation of Nagy took the unusual form of a warning article published in the Cominform journal on 25 February, two weeks before the meeting of the Hungarian central committee which pronounced the verdict on the Nagy policies. This article blasted Hungarian policies implemented during the preceding eight months and sharply criticized Szabad Nep for its attitude during this period. At approximately the same time, Cominform chief Suslov spent some ten days in Hungary making a thorough study of the political situation. He then threw his powerful support to Rakosi, although reportedly counseling him to use moderation in dealing with the popular premier.

Condemnation of the Nagy policies by the central committee followed on 9 March. This "March Resolution," in the name of party "unity" and "discipline," condemned the following policies: (1) sacrifice of heavy industry, which "also worked against agriculture, light industry and defense:" (2) excessive encouragement given to free peasants at the expense of collectives; (3) measures, taken in connection with the PPF, aimed at diminishing the party's importance and giving control of local government organs to the PPF committee. The resolution castigated nationalism and "chauvinism" as "among the most dangerous manifestations," and declared that a "merciless" battle must be waged on both tendencies. The resolution also criticized Nagy personally for: (1) supporting anti-Marxist views in his speeches and actions; (2) encouraging "petty bourgeois" elements to step up their activity against the party; (3) attempting to ignore the leadership of the working class; and (4) leading the working class into error by demagogic promises. The March Resolution, however, did not reject the party resolution of June 1953 instituting the New Course and reiterated policies of moderation.

Another charge reportedly levelled against Nagy was discrimination against the AVH. This accusation apparently was not publicized.

The reference to nationalism was spelled out in an 8 April editorial in Szabad Nep, which revealed that the condemnation was actually directed against the doctrine of "national Communism." The editorial asserted: "If we analyze the rightist views, we clearly see that they are aimed, willy-nilly, at making the party deviate from the road followed by the Soviet Union--and at making Hungary follow another, the specifically Hungarian, road that was supposed to lead to socialism." This blast may have been directed at Farkas as well as Nagy.

Public Soviet endorsement of Rakosi was given by Marshal Voroshilov on 4 April at the Liberation Day ceremonies. Voroshilov transmitted the express approval of the Soviet central committee for measures taken by the Hungarian party to correct "errors" in the economy and socialist structure of Hungary.

3. Party Condemnation of Nagy (April)

Party disciplining of the principal figures of the Nagy regime followed on 14 April at the meeting of the political committee. Nagy was expelled from the political committee, the central committee, "and every other function with which he was entrusted by the party." Farkas was expelled from the political committee and the secretariat but "entrusted with other party work." Doubtless the leniency shown to Nagy and Farkas was a reflection of the current Soviet policy which required the greatest possible appearance of moderation be shown by Hungarian leaders.

The report of the central committee, published on 18 April, declared that Nagy had "turned against the party's policy, the teachings of Marxism and Leninism and the interests of the people." His activities, it asserted, "aimed at the bastion of socialism--the leading role of the working class and the party, the development of heavy industry and the socialist reorganization of agriculture." Nagy's deviation of 1949 was cited as proof of his long-standing unre-

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liability. He was excoriated for failing to learn from his faults: "In fact, during the last 20 months, he aggravated these faults until they became a whole coherent system and caused great damage to his country."

Nagy was replaced by the Rakosi protegé, Andras Hegedus, as premier on 18 April. Hegedus' nomination presumably signified the continued priority of agriculture, since he was an agricultural expert. As a product of the Hungarian youth organization, he presumably would be popular among younger party members. Finally, as a newcomer, Hegedus was free of the onus of the Rajk case. Soviet wooing of Tito gave the last point importance.

a. Nagy's Defiance to the Central Committee: Nagy's flat refusal to appear before the political committee, on grounds that as head of the government he could not be removed by the party, suggests that he felt confident of support within the party for himself and his policies. Rakosi's continued failure to force Nagy to do penance may indicate that the party leadership was unwilling to sacrifice the former premier, who had become a symbol of "national Communism." As Rakosi explained, he hoped Nagy might "turn back" and try to make good "the immeasurable damage he caused to our party, people's democracy and our building of socialism." Nagy's continued defiance, however, encouraged his supporters to continue their resistance.

b. The Condemnation of Farkas and Vas: The condemnation of Farkas, on grounds that "for a long time" he had been the "chief backer" of Nagy, had drastic implications for the Rakosi clique. Farkas had connections with leading Hungarian army circles. His son, Vladimir Farkas, a leading AVH official, was related by marriage with high-ranking Muscovites and on friendly terms with important officials. The fall of Farkas, therefore, although he was temporarily saved from its worst consequences by Rakosi, threatened to implicate other very

prominent individuals.

Zoltan Vas was also involved in the fall of Nagy. He was deprived of his special position in the council of ministers and demoted to deputy minister of foreign trade. The conclusive nature of his condemnation was shown by the statement in the April issue of the party theoretical journal which asserted that Vas' castigation of Five-Year-Plan show projects reflected the "influence of the class enemy and capitalistic circles which are trying to weaken the popular base of the regime by slander."

c. Continued Strong Position of Munnich and Szanto: Neither Ferenc Munnich nor Zoltan Szanto was injured by the fall of Nagy. Munnich continued to be ambassador to Moscow, while Szanto was appointed minister to Warsaw in June. Both men thus played important roles in linking Hungary with the Kremlin and Poland. Both men reappeared in Hungary on the eve of the revolution in 1956.

4. Increasing Emphasis on "Hard" Domestic Policies (June)

During the spring of 1955, Hungarian domestic policies took on an increasingly "hard" look, although party leaders made a show of continuing moderation. The apparatus of economic coercion was somewhat strengthened when in August the State Control Office was raised to the status of ministry with Arpad Hazi as minister. Moreover, economic policies unveiled by the regime at the June meeting of the central committee implied the return of intensified industrialization and collectivization under the Second Five-Year Plan due to begin in 1956.

Erno Gero now openly supported these policies, although he attempted to maintain his "moderate doctrinaire" attitude. In a 12 June article in Szabad Nep commenting on the recent central committee meeting, he declared that socialist industrialization, better work by collectives and state farms and improved operation of machine tractor stations must be the means of "convincing several hundred thousand peasant families" to join collectives. He conceded that this would bring intensified pressure on "kulaks," i.e., the peasantry as a whole. "Agricultural production can be raised substantially," he declared, "only if we attain in the next few years a change in the socialist reorganization of agriculture as well. Imre Nagy and in general the rightist deviationists started from the assumption that we either build socialism in the villages, in which case agricultural production could not be raised, or we raise agricultural production and yields and then it would be impossible to build

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socialism in the villages." Gero thus decisively ranged himself on the side of the enemies of Nagy's agricultural policies.

This approach to Hungary's grave economic problems satisfied no one. Proponents of New Course policies were alarmed by the implications of the return to collectivization and industrialization while leaders of the Communist managerial class whose careers and advancement depended on expanding industry were disaffected by the failure to speed up the return to a stronger emphasis on heavy industry. The cleavage in top party circles therefore remained acute.

5. The Yugoslav Issue

The Soviet rapprochement with Tito became a major factor in Hungarian political life by the summer of 1955. Since Tito was widely envied in Hungary as a successful rebel against Kremlin controls, his courting by the Kremlin leaders exacerbated confusion and dissension already rampant in the Hungarian party as a result of the fall of Nagy and the general hardening of the domestic line which appeared in sharp contrast to Soviet assurances to the Yugoslavs. The pilgrimage of Khrushchev and his colleagues to Yugoslavia in May brought this confusion to a high pitch. It afforded the highest possible affirmation that the doctrine of "separate roads to socialism" was again respectable as regards Yugoslavia.

The Hungarian party leaders were aware of their dilemma but clearly hoped to accommodate themselves to the new Soviet policies. The Rajk case now became a major stumbling block. It would be exceedingly difficult for Rakosi to do public penance for the death of Rajk without seriously damaging his authority. It became unmistakably clear, however, that nothing less than such a public repudiation would satisfy Tito. The Hungarian tactic of blaming the whole affair on Gabor Peter--following the Soviet line on Beria--was not satisfactory.

President Tito spelled out his demands in a 27 July speech. He charged that "certain men in neighboring countries...especially Hungary" were not pleased with the improvement in Soviet-Yugoslav relations and "were intriguing under cover" against Yugoslavia. Such men, he declared, who had sentenced "innocent men" to death, were afraid to admit their mistakes and follow a new path. "These men," Tito concluded, "will inevitably fall into their own political traps!"

It soon became evident that the Hungarians were under strong Soviet pressure to improve relations, although at the moment only economic rapprochement was demanded. The Hungarian party instituted special meetings to explain Soviet policy on Yugoslavia to party activists and blame the 1948 break on Gabor Peter. Without fanfare, however, the party concurrently released minor victims of the Rajk trial.

Tito's intransigence unquestionably strengthened the initiative of anti-Rakosi elements in Hungary who genuinely believedin the possibility of national Communism and hoped for the reinstitution of the Nagy leadership.

6. Appearance of Revolutionary Elements: The Writers Revolt (September-November)

The full impact of the harsher policies designed to crush Nagy supporters fell on Hungarian intellectuals, especially the young Communist journalists and writers who looked for increased liberalization in Hungary as a result of the apparently more tolerant attitude of the Kremlin. From early spring onwards, the regime sought to convince the writers that they should fall into line and specifically support the party. When persuasion failed leading journalists were dismissed from Szabad Nep; books were banned; the party cracked down on the Writers' Union in an attempt to intimidate potentially rebellious elements.

The actual starting point of the so-called Writers'Revolt appears to have been an article published by Gyula Hay in the 10 September issue of Irodalmi Ujsag, organ of the Writers' Union, delcaring that excessive bureaucratic restraints were destroying Hungarian literature as an art. The next number of the journal carried an article by Laszlo Benjamin criticizing Jozsef Darvas, minister of people's culture. The issue was suppressed by the authorities.

The regime's attempt to discipline the writers provoked an outburst. At a meeting of the Writers' Association, apparently held on 10 November, spokesmen of the party (Marton Horvath and Erzsebet Andics) were shouted down. A group of writers presented a draft memorandum attacking the "necessity and right" of the party to direct literature. The resolution--or

resolutions--took the basic position that acts of the Hungarian central committee conflicted with party policy and were "in direct contradiction" with the "broadminded approach to cultural work practiced by the Soviet Union." The only means by which "wrong views" could be defeated, creative cultural work developed and socialism advanced would be establishment of a "free, sincere, healthy and democratic atmosphere imbued with the spirit of popular democracy."

7. Counteroffensive of the Party (November-December)

In the face of the writers and their widespread popular support, the party leadership apparently carried out its counteroffensive with great caution. Although the party central committee adopted a resolution condemning the writers, it was published only after a long delay in the 10 December issue of the writers journal, Irodalmi Ujsag, no doubt as a result of mounting dissension within the committee. It strongly appears that the Rakosi-dominated wing of the committee found it necessary to break the resistance of the pro-Nagy faction before steps could be taken to discipline the writers. Rakosi apparently resolved to give a drastic lesson to opposition elements by finally cracking down on Nagy himself. At a special session of the central committee convened on 3 December, Nagy was expelled from the party. Thus, after eight months delay, the disciplinary action which should logically have been taken in April was carried through. But the long delay and the semi-clandestine character of the move robbed it of much of its impact.

The Rakosi-Gero leadership of the party now initiated a campaign to daunt the opposition. On 6 December, party bigwig

Istvan Kovacs addressed a meeting of Budapest party activists with threats against the insurgents. He denounced leaders of the Writers' Revolt by name and declared that the writers' memorandum was an "anti-party" maneuver designed to encourage opposition to the party among the general public.

On 10 December the central committee resolution was finally published in Irodalmi Ujsag. This sweeping condemnation stigmatized the "greater part" of recent literature on the peasantry as antisocialist ("schematist"), declared it was "political" in character, and scathingly denounced the individuals who had signed the writers' memorandum. "This memorandum," it declared, "is an attack against the party and state leadership. It casts doubt on the right of the central committee to remove rightist opportunists from the board of editors of its own central newspaper.... This memorandum is in fact an anti-party program.... At the present time rightist opportunism manifests itself in the most dangerous, most undisguised and most organized form in the field of literary life.... The central committee most emphatically condemns this rightist factionalism...."*

In consequence of the party decision, several leading journalists were expelled from the party. This move marked the open break between intellectuals backing Imre Nagy and the party. It also had the effect of forming a group of "outcasts" ready to resort to strong measures to secure assurance of their freedom and livelihood.

* The following individuals were condemned by name: Tibor Dery, Zoltan Zelk, Tamas Aczel, Gyula Hay and Tibor Meray.

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CHAPTER VIII

DISINTEGRATION OF THE HUNGARIAN WORKERS PARTY

(22 February - 24 October 1956)

1. Effects of the 20th Soviet Party

The dramatic revelation of the decanonization of Stalin by Khrushchev and Mikoyan at the 20th party congress vastly sparked dissension in the Hungarian Workers Party.* It encouraged opponents of Rakosi in the central committee to step up their attacks and gave heart to supporters of Imre Nagy. It stimulated Hungarian party members at all levels to demand drastic changes in the regime at a greatly accelerated speed. Simultaneously emphasis on a "variety of roads to socialism" encouraged nationalists to hope that there would be a genuine understanding of Hungary's problems and traditions in the forthcoming period.

Rakosi was clearly guilty of the crimes charged by Khrushchev against Stalin. He had encouraged the "cult of personality." He had condemned good Communists and Spanish Civil War veterans by the use of fabricated evidence, notably Laszlo Rajk. He had protected those who tortured "innocent men," notably the Farkases. He had supported the expulsion of Tito from the Cominform and, with Farkas, had led the chorus of denunciation against him. Rakosi's continued presence at the head of the Hungarian party therefore contradicted the new Soviet party line and constituted a ban to resumption of party relations with Yugoslavia--and Tito made clear that he considered men like Rakosi a barrier. That Rakosi had done these things in response to Soviet orders only involved him further in the guilt of Stalin and "Beria." The rapid elimination of Rakosi from power therefore constituted a test case of the genuineness of the reform policies promised by Khrushchev.

The revelations of the 20th party congress split the Hungarian party from top to bottom. The denigration of Stalin caused despair among party members of doctrinaire tendencies. Some reportedly even threatened to leave the party because "the negation of Stalin means the negation of Communism." On the other hand, the congress declaration produced jubilation among the supporters of Imre Nagy.

* Hungarian delegates to the congress were Rakosi, Szalai and Kovacs.

Other measures taken in connection with the 20th party congress gave further encouragement to Rakosi's enemies. The formal rehabilitation of Bela Kun, effected by Eugene Varga in Pravda on 21 February, heartened "old Bolsheviks" long under a cloud (e.g. Gyorgy Lukacs) to take more active roles in opposing the Rakosi regime. Encouragement by the congress of far-reaching criticism and self-criticism spurred malcontents to use every avaialble medium to denounce the regime and notably sanctioned the scathing criticism voiced at the Petofi Club, the meeting place of the opposition.

2. Dissension in the Central Committee

Reflections of this factionalism emerged sharply at the 12-13 March meeting of the central committee following the congress. Rakosi, backed by his protegés in the secretariat, a few central committee members (e.g. Marton Horvath, Erzsebet Andics) and in general by Gero, was the target of attacks calling for the punishment of Mihaly and Vladimir Farkas as "Stalinists." Imre Nagy allegedly appeared before the committee to request rehabilitation and attack the "cult of personality." Although Nagy's request was rejected after heated debate, factionalism in the governing body of the party now was rampant.

3. Stalinists, Liberals and Moderates

The basic line of cleavage lay between Rakosi, representing "Stalinism," and Imre Nagy, representing "liberalism," i.e. nationalist tendencies which remained Communist but judging from Nagy's willingness to resort to extreme conciliatory expedients, might go very far to the right indeed. Between these extremes was the group of rehabilitated Communists headed by Janos Kadar.

Nagy's claims for full rebabilitation were apparently supported by a large faction--possibly the majority--of the central committee, probably because they realized the tremendous popular enthusiasm for Nagy must be satisfied. There is little douht, however, that leading party elements were greatly alarmed at the extremely "liberal" character of Nagy's own personal following. These included the "outcast" young writers recently disciplined for challenging party control (e.g. Tibor Dery, Tibor Tardos, Miklos Vasarhelyi*) and certain partially rehabilitated intellectuals who supported his cultural and agrarian policies,

* Vasarhelyi reportedly was expelled from the party prior to the CPSU congress for charging Rakosi with responsibility for the Rajk case.

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notably Geza Losonczi and Ferenc Donath. The fervor of their allegiance to Nagy was probably augmented by their exposed position in the event of a return to harsh coercive policies.

Outside the central committee was the important group of rehabilitated moderate nationalists (Janos Kadar, Gyula Kallai, Gyorgy Marosan) who had very strong support within the central committee. Kadar, a bitter personal enemy of Rakosi, as yet held only the relatively minor post of party secretary for Pest county and apparently was ambitious for advancement. His candidacy may have been backed by Jozsef Revai, who had been closely associated with this group in the 1948-51 period.

The majority of the party's political committee (Acs, Hegedus, Szalai, Hidas, Bata, Mekis, Kovacs and Piros) supported Rakosi pending orders from Moscow, although they personally opposed Rakosi's continued tenure of power. Most of these individuals owed their careers to Rakosi but they were prepared to overthrow him at a moment's notice.

4. The Kremlin's Dilemma

The balance of power clearly lay in the hand of the Kremlin. The Soviet directors of Hungary's fate, however, were caught in a dilemma. Moscow believed that only an experienced hand like Rakosi's could control the dangerous factionalism rampant in the Hungarian party and contain explosive nationalist tendencies encouraged by the current Soviet rapprochement with Tito. Yet the continued retention of Rakosi conflicted with the de-Stalinization pronouncements of the 20th Soviet Party Congress, exacerbated dissension in the Hungarian party and further undermined the prestige of the party among the Hungarian public.

A major stumbling block to the Kremlin appears to have been the absence of a suitable successor to Rakosi. The installation of Imre Nagy, whose policies had been formally condemned, would amount to a Soviet capitulation before the demands of Hungarian public opinion--a procedure contrary to the whole conception of Soviet-Satellite relations. As the crisis within the Hungarian party grew worse, Janos Kadar may have been designated as eventual replacement for Rakosi. He had the advantage of typifying a policy based on the industrial working class and he was still, as in 1948, manageable by the Kremlin. The moment when he could assume this post appeared to be far off, since he had not yet been readmitted to any top governing body of the party.

In this situation, the "collective" leadership in Moscow continued to support Rakosi by public endorsements while postponing the question of an eventual successor. Such vacillation only stimulated the opposition to Rakosi into more vehement demands for his ouster.

5. Growing Strength of the Anti-Rakosi Opposition

To most Hungarians, the elimination of Rakosi would have been one guarantee that the Kremlin really intended to put an end to the oppressive Stalinist system and allow genuine "relaxation" in Hungary. The opposition therefore concentrated on demands for the repudiation of Rakosi. It was further encouraged by the joint Soviet-Yugoslav declaration of 20 June asserting that "the roads of Socialist development are different in different countries and conditions" to believe that the Kremlin might really permit more liberal policies in Hungary.

During the spring, the opposition led by the writers broadened to include intellectuals, students, ex-partisans and numerous military officers. Intensified government economy measures resulting in the dismissal of many government officials also contributed to throwing these individuals into the pro-Nagy opposition centered in the Petofi Club.

a. Rakosi Seeks to Conform with the Soviet Congress Line: Confronted with mounting demands for his removal, Rakosi sought to convince the opposition that he was in fact complying with the directives of the Soviet congress. His report to the central committee's March meeting reflects this attempt to tailor the general line of policy, which continued to be on the March resolution of 1955 while encouraging greater freedom of criticism and stepping up the rehabilitation of imprisoned individuals. The effect of this partial "thaw" was considerably marred by his repeated admonitions that Communist discipline must be maintained.

On 27 March, Rakosi fell in line with Soviet policies toward Yugoslavia by publicly rehabilitating Laszlo Rajk and performing self-criticism for his execution. The effect of this move was undercut by an assertion made in Szabad Nep the same day that because Hungary was in a transitional state between capitalism and socialism the "class enemy" in Hungary was stronger than in the Soviet Union and repressive measures against regime enemies were necessary.

b. The Second Writers Revolt: Rakosi's failure to implement a bold program based on what optimistic Hungarian party members believed was the program of the 20th party congress evoked heightened opposition among members of the Writers Club who spearheaded the opposition. The writers organ Irodalmi Ujsag promptly retorted on 24 March with an attack on "dogmatisms closely connected with the cult of personality" and political control based on "pretensions of infallibility by party and state organizations." New recruits began to join the insurgent writers during March and April. Their attitude was well expressed by Tibor Tardos in a 7 April article in Irodalmi Ujsag. Referring to his own past acquiescence in crimes committed in the name of party discipline, he wrote:

> Yet the time came when we had discarded respect for human life...and had sacrificed it to our faith /in Communism/. We, who sometime long ago in our youth had sworn by the tremendous power of thought, now stood with crystal-clear hearts but with empty heads, like amphorae in the glass cabinet of a museum. And these amphorae nodded their consent to everything.

c. Rakosi Attempts to Answer His Critics: Rakosi sought to answer his critics by convincing them that he himself had thoroughly reformed, that the genuine policies of the Soviet congress were being carried out under his direction and by demonstrating the need for Communist discipline. It nevertheless remained clear that Rakosi remained a Stalinist in economic theory and predisposition to authoritarian methods. This emerges clearly in his major address of the spring, made to Budapest party activists on 18 May. Rakosi declared that no fewer than 9,000 persons had been amnestied since the preceding November and criminal proceedings had been quashed against 11,000 others. He performed humiliating self-criticism. He promised that coercion would be played down. But he nettled his audience by reverting to self-justification and demands for "discipline." It was now apparent to most observers that Rakosi had outlived his usefulness.

d. The Petofi Club: In this situation, the decisive center of organized opposition to Rakosi became the Petofi Club in Budapest. From the end of May, meetings organized under the sponsorship of the youth organization (DISZ) were transformed by party dissidents into

full-scale demonstrations against Rakosi during which representatives of many sectors of Hungarian society scathingly attacked the major evils of the past years and even unearthed party quarrels of the thirties. This freedom of debate was encouraged by Szabad Nep which as late as the third week in June characterized the Petofi Club as a "valuable forum."

The Rajk affair was a favorite stick to beat the regime. For example, one dissident charged: "In 1949 Rakosi said Rajk was a Titoist; in 1955 he said he was a provocateur; this year he calls him comrade." At another meeting, Mrs. Julia Rajk, widow of the national Communist, evoked tremendous applause from a capacity audience which included many military officers, with bitter charges that her husband had been murdered and demands for punishment of his murderers.

By the end of June, attacks on Rakosi at Petofi Club meetings reached a climax with shouts: "Down with the skin-haired fathead!"

e. Attack on Soviet Party Disciplining of Writers: The increasing self-assurance and radicalism of insurgent writers finally reached the stage of attacking the suppression of creative thought by authorities of the CPSU. In early June, in answer to an article by a Soviet writer printed in Irodalmi Ujsag, organ of the Writers Club, some twenty Hungarian writers drafted a reply challenging the right of the party to dictate themes. Their attitude toward the Hungarian regime was even more violent. By the end of June the Writers Association refused even to conduct discussions with Hungarian party officials until the central committee resolution of December 1955 had been withdrawn.

7. Continued Vacillation by the Kremlin

The Kremlin still vacillated on the problem of party leadership in Hungary. In early June ex-Cominform chief M. A. Suslov made a week-long visit to Budapest, ostensibly on vacation, to survey the situation. During this visit, he held private conversations with Imre Nagy and Janos Kadar. But when Suslov left Hungary without making any overt move, the evidence that the Kremlin might be considering a successor to Rakosi stimulated the opposition into renewed vehemence.

Two weeks later (23 June), Rakosi, and probably Gero and Hegedus went to Moscow for undisclosed reasons, following Tito's

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triumphant visit to Moscow. Kadar was also said to be in the Soviet capital at this time. It appeared that the Kremlin still considered Rakosi indispensable.

8. Rakosi Reverts to Harsh Tactics

Developments in the Satellites reached fever-heat in the last week in June. In Poland, the Poznan riots of 28 June coincided almost exactly with the most extreme anti-regime demonstrations at the Petofi Club in Hungary. As reported by Politika in Belgrade, this 27 June demonstration lasted nine hours, during which the full extent of party and popular hostility to the regime became apparent to the participants and to the regime. The government spokesmen, Marton Horvath and Zoltan Vas were shouted down when they attempted to defend Rakosi's policies. As a climax, the demonstrators shouted: "Down with the regime! Long live Imre Nagy!"

This demonstration evoked immediate repressive measures by the regime. Rakosi called a special session of the central committee on 30 June and forced through a harsh resolution--reportedly seen by only a few members--denouncing "anti-party manifestations" at the Petofi Club and calling on the party central control commission to expel the ringleaders of the opposition, Tibor Tardos and Tibor Dery. The following day Szabad Nep published the central committee resolution and launched a campaign against "right-wing deviation," raised the cry of "vigilance" and denounced the Petofi Club as a hotbed of dissension. "These debates were attended not only by honest people who love the party," Szabad Nep editorialized on 3 July, "but by individuals who oppose the party.... Opportunist, harmful and anti-party views were expressed by those who still maintain close and sympathetic contact with Imre Nagy, who has been expelled from the party because of his anti-Marxist views, his hostility to the party and his factionalism."

Rakosi appears to have been trapped between the growing violence of the opposition and Kremlin directives to maintain a show of moderation. In this dilemma, he returned to Moscow about 7 July. He returned to Budapest with the obvious intention of implementing very strong measures to cope with unrest. Possibly he received encouragement for a harsher policy from the authoritative Pravda editorial of 16 July which reaffirmed the "unshakable solidarity of the socialist camp," attacked the idea of national Communism, condemned the Petofi Club demonstrations and appeared to throw Soviet support behind leaders who wished to reimpose discipline on insurgents.

9. The Fall of Rakosi

The drastic measures envisaged by Rakosi to crush opposition apparently alarmed the Kremlin, which dispatched Mikoyan to Hungary to investigate the situation. Mikoyan reportedly arrived on 14 July, rejected Rakosi's proposal for the arrest of some 400 persons, including some forty writers and possibly Imre Nagy, and apparently was sustained in his verdict by Khrushchev. It strongly appears that Rakosi was forced to resign as party chief when his plans for coping with the opposition were rejected. Rakosi's subsequent references to his guilt of "cult of personality" suggests that Mikoyan may have lectured him on the subject during his visit to Budapest.

At the meeting of the central committee (18-21 July), Rakosi resigned as first secretary of the Hungarian Workers Party. In his letter of resignation, he confessed: "The bulk and effect of mistakes in the fields of personality cult and socialist legality were greater than I thought...and the harm done to our party in consequence of these mistakes was much more serious than I thought originally."

After thirty-six years as a major leader of the Hungarian Communist party, Rakosi--evidently a broken man--departed for the Soviet Union.

10. Gero as Party Chief

At this juncture, the Kremlin by a bold strike--the full rehabilitation of Imre Nagy and the promotion of Janos Kadar to leadership of the party--might have saved the scraps of prestige still remaining to the Hungarian party and convinced the Hungarian people that a genuine de-Stalinization program was in sight. Instead, Mikoyan designated Gero as first secretary of the Hungarian party. By this move, which outraged the liberals and dissatisfied the moderates, he perpetuated the schism in the party leadership and laid the groundwork for revolution. Gero, the right-hand man of Rakosi in past years was known as a tactless though hard driving doctrinaire with little sympathy for Hungarian national aspirations.

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An important place was nevertheless given to the moderate element. Janos Kadar, Gyorgy Marosan, and Karoly Kiss were admitted to the political committee and Gyula Kallai was elected to the central committee. The balance of power remained with Stalinists, however. The appointment of Jozsef Revai, well-known as spokesman for the dictatorship of the proletariat, also appeared to stregthen the Stalinist faction, although Revai had past connections with the Kadar group.

Gero nevertheless set out to give the appearance of greater liberalization without relaxation of vigilance. Warning that "it would be a very grave mistake if we failed to draw the necessary conclusions from the provocation in Poznan in our own country," he assured the party in his 18 July speech accepting the post of first secretary that a "large-scale process of democratization" would take place in Hungary.*

11. The Gero Policies

In line with this promise, the party leadership began to implement a policy of picemeal de-Stalinization. The central committee approved the disgrace of Mihaly Farkas and set in motion changes in the defense establishment. Farkas was reduced to the rank of private. Other high political officers were replaced at this time. It appeared that the new central committee was intent upon implementing de-Stalinization measures at a much faster rate than heretofore--and probably at a faster rate than its nominal leader, Gero.

The regime also took steps to cope with the long-unsolved problems of the Hungarian economy or at least to institute a general examination of the economic policies of Hungary prior

* The following were full members of the new politburo: Revai, Kadar, Kiss, Morosan, Acs, Hidas, Hegedus, Szalai, Istvan Kovacs, Apro; and alternate members: Bata and Mekis. All except Kadar, Marosan, Revai and Kiss had belonged to the previous political committee under Rakosi.

to the unveiling of the long-deferred Second Five Year Plan. There were no indications, however, that Gero himself had evolved economic policies which could answer the crying needs of the people.

In an effort to restore "unity" in the central committee and regain the support of the insurgent intellectualist elements, the party leadership directed overtures toward the "outcast" writers and the Nagy wing of the party. A central committee resolution published on 30 July took the initial step by promising concessions. In comment on this resolution, Szabad Nep editor Marton Horvath on 12 August admitted: "Never before in the history of the Hungarian party have the intellectuals shown such unanimity in opposing the party's management." By blaming this situation to a large degree on Rakosi's misdeeds, the party left the door open to the rehabilitation of the "outcasts." It remained to be seen whether the attempt to make Rakosi the scapegoat for past evils would be any more successful than Rakosi's own effort to foist the blame on Gabor Peter.

Indications that party leaders were prepared to bargain had the consequence of encouraging the appetite of the opposition and thus forcing the regime to go beyond its original intentions. Moreover, indications that the Kremlin itself was vacillating between a crackdown on Polish insurgents and continued encouragement of the "thaw" spurred the Hungarians to take a bolder course. On the other hand, Gero's continued stress on doctrinaire considerations kept his opponents alive to the possibility that a return to harsh measures might occur at any time, while increasing symptoms of tougher Soviet policies toward Yugoslavia made them fear such a reversal might be fast approaching. These developments combined to make the next three months a period in which hope and fear combined to produce reckless daring among the leaders of the Hungarian opposition.

12. The "Moderate Nationalist" Position

Janos Kadar, during the three months before the revolution, came to the front as the representative of Communist middle-of-the-road tendencies. Free of the taint of "Stalinism," he stood between the fundamentally doctrinaire position of Gero and the "liberal" stand of the Nagy adherents. This position appears to have been endorsed by the Kremlin, judging from the reported remark of the Soviet ambassador that he "liked Kadar very much," and the allegation that Mikoyan had given his support to Kadar. In his first major political speech, made to miners in the north Hungarian industrial area on 12 August,

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Kadar supported the line that Rakosi's crimes had caused the exaggeration of New Course tendencies, but he appeared to take a slightly more liberal view of the internal Hungarian problems than Gero. Significantly, he asserted: "You must not be afraid of listening to the opinions expressed by non-party workers and the PPF and of hearing from time to time views which are neither Marxist nor Communist." As a sign of his increasing stature in the party, Kadar was chosen to head the delegation sent to represent Hungary at the congress of the Chinese Communist party.*

To support the more moderate line, Gyorgy Marosan also took a prominent role during the pre-revolutionary period. As a former left-wing Social Democrat, Marosan was counted on to exercise influence over the dangerously antagonized industrial working class. This line was spelled out by Marosan in Szabad Nep on 19 August when he declared: "Life has belied the erroneous view which holds that there are irreconcilable differences between Socialists and Communists."

13. Demands of the Nagy Faction

The strong pro-Nagy element spearheaded by liberal writers now revealed that its goals were full rehabilitation of Nagy and liberals who had supported him. They also demanded--and received--full freedom of debate in the Petofi Club. Their further objectives of political and economic liberalization and participation in the government became apparent with the passage of time. Taken in the context of Nagy's known opinions

* He left Budapest about 9 September and returned one month later. Zoltan Szanto and Istvan Hidas accompanied him. All three thus were absent from Hungary during the critical period of September and early October.

on the relative place of agriculture and heavy industry in the economy and demands for full intellectual freedom voiced by his adherents, the Nagy program by mid-September implicitly called into question basic Communist doctrines and ties with the Soviet Union.

It appears probable, nevertheless, that moderate elements in the central committee were giving strong support to Nagy's bid for leadership in the government, and that, in fact, a coalition of moderates and liberals had come into existence. The common interest of both factions lay in their demand for political and economic policies suitable for Hungary, even at the expense of weakening ties with the Soviet Union.

14. The Yugoslav Factor

The rapprochement of the Hungarian party with the Yugoslav Communists, promised by Gero in his 18 July speech, hung fire until mid-October.* It is true that the letter of apology for "slanders" against Tito was by far the strongest sent by any Bloc

* The central committee resolution published on 23 July defined the question of permitted variations in socialism in an ambiguous fashion that would cover all eventualities:

> Under specific Hungarian conditions of building socialism, the party...does not lose sight for a moment of the fact that it is ceaselessly strengthening the unity of the socialist camp, its relations with the Soviet Union, the countries of the socialist camp and socialist working class movements throughout the world. For this reason, the party once again intensified the struggle against manifestations of nationalism, chauvinism and anti-Semitism... The party is strengthening its ties with the CPSU because both the CPSU and the HWP hold identical views on every ideological question--in the assessment of the international situation and the perspectives of socialism.

party. Moreover, the appointment of Ferenc Munnich, ex-ambassador to the Soviet Union, as ambassador to Yugoslavia on 1 August placed in Belgrade an individual of sufficient stature and past connections with Tito to handle the delicate relations. Nonetheless, the actual meeting of leaders of the Hungarian regime with Tito was long delayed. The cooling of Soviet-Yugoslav relations, reflected in the 3 September circular letter from the CPSU central committee to Satellite parties acted as a damper to closer rapprochement. This circular warned the Satellite central committees against adopting Yugoslav practices and instead, instructed them to look to the Soviet party for their example. Thereafter, the dramatic conversations of Khrushchev and Tito at Brioni and Yalta gave impetus to Hungarian elements favoring increased liberalization.

Resumption of relations became closely tied to the rehabilitation of Imre Nagy, a symbol of genuine liberalization of Communist practices. Negotiations on both subjects appear to have been conducted by Gero at conferences with Tito and Khrushchev at Yalta (1 October).* When the Hungarian delegation led by Gero and including Kadar, Kovacs, Apro and Hegedus finally left for Belgrade on 14 October, Nagy's readmission to the party was announced simultaneously in Budapest. At this point, however, the question of Yugoslav relations was secondary to dramatic internal developments in Hungary.

15. The Eve of the Revolution

Decisive steps to de-Stalinize the Hungarian regime were taken in early October while Gero and other top party leaders were absent in the Soviet Union. These included the rehabilitation of Imre Nagy, forecast in his defiant letter of 4 October to the central committee announcing that he submitted to party discipline but refused to make a further statement until full and free discussion was permitted. On the same day, Istvan Kovacs threatened to remove all individuals who would not adjust to the liberalized party line. Concurrently high-level changes were effected in the Ministry of Defense. The following day, Vladimir Farkas was arrested.

* Note that Gero left for the Soviet Union on 8 September and remained there for one month. He therefore was absent from Hungary during the critical period.

On 6 October, a startling outburst of nationalist sentiments occurred when, under government auspices, the remains of Laszlo Rajk were solemnly reinterred in the national cemetery. The ceremony turned into a mammoth demonstration for Imre Nagy. This occurred on a holiday commemorating the execution of Hungarian generals as a result of the Russian invasion to crush the Hungarian revolution of 1848-49. The dangerous implications of such a demonstration must have been fully apparent to those who staged it.

Budapest newspapers linked the demonstration with the continued tenure of power by Stalinists, i.e. Gero and his associates. The trade union organ spelled out the warning: "History and the people have already held a retrial. At this trial, those who caused their death are accused."

From this point forward, the party ceased to be important; the Hungarian nation took over command of events.

16. The Polish Example

The successful defiance by the Poles of the Soviet Communists stirred the rising flames of Hungarian nationalism. The purge of Hilary Minc, the counterpart of Erno Gero as economic czar during the Stalinist period, evoked the following comment from the Budapest trade union newspaper Nepszava: "Our Polish comrades do not hesitate to draw the necessary conclusions without regard to persons involved, in removing obstacles to democratization." The bold challenge by Gomulka to Khrushchev on 19 October set the example for the Nagy faction in Hungary and led directly to the national demonstration of 23 October which sparked the revolution.

17. Nagy and Kadar Take Over

The climax followed rapidly. On 23 October, a student demonstration honoring the Poles for their successful resistance to the Kremlin developed into a full-scale nationalist manifestation which demanded the withdrawal of Soviet troops, the restoration of Imre Nagy to the premiership, a new government, free elections and the return of the multi-party system of government. Rioting broke out and continued into the following day. Fighting began when AVH troops fired on the demonstrators and Soviet troops stationed in Budapest entered into action to support the security forces. The revolution had begun.

Confronted with this crisis, the party central committee and politburo were called into hasty session on the night of 23-24 October. Panicky party leaders--presumably Gero--appealed for Soviet aid against the revolutionaries on the basis of the Warsaw pact. During the stormy all-night session seven Stalinists were thrown out of the political committee (Hidas, Mekis, Kovacs, Revai, Acs, Bata and Piros) and replaced by two moderates (Szanto and Kobol) and one Nagyist, Losonczi. In the early morning hours, Nagy was chosen premier. The following day--25 October--with the fighting mounting in violence, Erno Gero was deposed as party first secretary and Janos Kadar elected in his place. The change in leadership came far too late to affect events. The revolution continued in spite of the party leadership.

POSTLUDE

DESTRUCTION OF THE HUNGARIAN WORKERS PARTY

(23 October - 4 November 1956)

The Hungarian national revolution of 23 October-4 November destroyed the hard core leadership and subordinate organization of the Hungarian Workers Party, physically destroyed the old state security apparatus and proclaimed a neutralized Hungary independent of Moscow. The rising was national in character, anti-Communist and anti-Soviet, although Communist formations and discipline contributed to its initial success. Many partisans and underground fighters who had aided Soviet armies in World War II (e.g. Colonel Pal Maleter and Major General Kovacs) took arms against the Soviet troops. The cadres of the youth organization formed the revolutionary committees of youth that bore the brunt of the fighting.

1. Initial Co-operation of Liberals and Moderates in Support of Revolution

The party leaders attempted in vain to control events. At first, the moderates and liberals of the Hungarian party worked together for reform and against the Stalinists. The revolutionary coalition in the central committee on 26 October called for the formation of a new government on the basis of "the broadest national foundations" which would initiate negotiations with the Soviet Union to settle the future relationship of the two countries. The resolution further called for the withdrawal of Soviet troops after the restoration of order. It underlined the intention of the central committee and government to defend the people's democracy, i.e., the Communist regime, and it asserted that opponents of the regime would be "annihilated without mercy."

In line with this policy, a seven-man committee was set up to form a new party--the Hungarian Socialist Workers Party--which would stand for "national independence and friendship with all countries." This joint committee included Nagy and his two closest adherents, Losonczi and Donath, the old Bolsheviks" Gyorgy Lukacs and Zoltan Szanto and, representing the moderates, Kadar.

2. Increasingly Revolutionary Character of Nagy Government

In the new government of 27 October, Nagy again held the premiership. The "moderate" Ferenc Munnich, former ambassador to Yugoslavia, took over the critical post of minister of interior, thus symbolizing the union of the remaining wings of the party.

Nagy from the outset took a more extreme position than the moderates. On 28 October he declared that the bloody fighting between revolutionaries and Soviet and AVH forces was due to "mistakes and crimes" of the past ten years, and denied that counterrevolutionary elements were behind the insurrection. He acquiesced in the destruction of the one-party system of government, the reformation of long-dissolved "bourgeois" parties and, on 3 November, the organization of a cabinet in which there were only two Communists--himself and his adherent Geza Losonczi. He assented to the suspension of collectivization (28 October) and abolition of the crop collection system (30 October). He promised free elections, the formation of workers' management councils which had been set up throughout Hungary. He permitted the revolutionary reorganization of the Defense Ministry and the appointment of revolutionaries (Maleter and Kovacs) and ex-prisoners (e.g., Bela Kiraly) to top military posts. On 1 November, presumably under the influence of extreme revolutionaries and faced with the build-up of Soviet armies, Nagy took the extreme step of proclaiming Hungary's withdrawal from the Warsaw pact and asking for the neutralization of Hungary under the protection of the United Nations. In an appeal to all Hungarians, he declared that the people of Hungary "desire the consolidation and further development of the achievements of the national revolution without joining any power blocs."

3. The "Moderates" Sabotage the Revolution

The "moderate nationalists" went along with the revolution up to 2 November despite obvious misgivings. Kadar had repeatedly warned against the rise of "counterrevolutionary elements," and other moderates echoed his fears. The threat to Communism and the Soviet alliance implicit in Nagy's increasingly revolutionary moves led to their betrayal of the revolution. Possibly under the influence of a second visit by Mikoyan and Suslov on 1 November, Kadar and Munnich took steps to form a new government.

On 4 November, under protection of Soviet troops holding the important railroad junction of Szolnok, Kadar announced the formation of a "Revolutionary Workers' and Peasants' Government" which included Ferenc Munnich as minister of the combined defense and security forces and Gyorgy Marosan as minister of state. Several discredited "moderates" filled the remaining posts in the small cabinet (Imre Horvath, Istvan Kossa, Antal Apro, Imre Dogei and Sandor Ronai). This government appealed for Soviet aid against the revolution, thus giving the legal pretense for the Soviet reconquest of Hungary.

4. Fate of Nagy and His Adherents

As Soviet armies moved into action on 4 November, Nagy broadcast a despairing appeal for aid "to the Hungarian people and the world." As Hungarians fought advancing Russian tanks, Nagy and his closest associates fled to the Yugoslav embassy for protection. The were later surrendered by the Yugoslavs on the basis of an agreement with the Kadar government calling for their safety (21 November). Soviet troops violated the understanding and carried Nagy and members of the group off to Rumania where they presumably remain pending future Soviet action.*

Soviet forces fought their way into Budapest against desperate resistance; "complete liquidation of the counter-revolution was under way."

5. Fate of the Stalinists

Of the former top Muscovites, Rakosi and Gero are believed to be in the Soviet Union. The Kadar regime has stigmatized them as "infamous leaders" and the trade-union newspaper has called for their trial for "crimes committed against the Hungarian people." Their fate will depend on the Kremlin. Mihaly and Vladimir Farkas and "many high-ranking officers of the AVH" are in prison with Gabor Peter and Gyula Decsi while preparations for their trial are being made. Former high-level members of the Rakosi-Gero clique who, like Rudolf Foldvari, supported the revolution are now termed "political chameleons and careerists." Twelve high-ranking members of the clique were

* The following individuals took refuge in the Yugoslav embassy and left it under terms of the 21 November agreement: Imre Nagy, Geza Losonczi, Ferenc Janosi, Ferenc Donath, Sandor Haraszti, Szilard Ujhely, Miklos Vasarhelyi, Julia (Mrs. Laszlo) Rajk, Janos Szilagy and Gyorgy Fazekas. The following also took temporary refuge there and are presumably covered by the same agreement: Zoltan Szanto, Gyorgy Lukacs, Zoltan Vas, Peter Erdes and Ferenc Nador. The communiqué of the Yugoslav State Secretariat for Foreign Affairs stated that members of Nagy's government first approached the Yugoslavs on 2 November.

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formally deprived of their positions by the government.* Lesser individuals have been ordered to return to the occupations they held before their rise in the party.

6. The Hungarian Socialist Workers Party

The present Hungarian Socialist Workers Party headed by Kadar represents the last fragments of the center group of the old Hungarian Workers Party which once numbered one million members and now claims less than one hundred thousand. Its leadership is composed of individuals who like Kadar were imprisoned by Rakosi or like Munnich were in the background during the Stalinist era. Its second-level leadership consists of a few hold-overs left alive and in the country by the backwash of de-Stalinization and revolution. Completely discredited by its resort to violence against Hungarian workers which it ostensibly represents, the party of Kadar and Munnich, torn by dissension, will be condemned to act as the Kremlin dictates. Kadar thus finds himself in the same position as Rakosi--a dictator dependent upon Soviet troops for support--but without the carefully trained Muscovite subordinates or well-integrated party machine of Rakosi and completely without the optimism that surrounded the early days of Communist domination of Hungary.

* The Stalinists dismissed were: Erzsebet Andics, Lajos Acs, Istvan Bata, Andor Berei, Andras Hegedus, Istvan Hidas, Erno Gero, Istvan Kovacs, Bela Szalai, Laszlo Piros, Bela Veg and Gyorgy Non.

[redacted]

8 July 1957

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SOVIET STAFF STUDY

SOVIET ECONOMIC POLICY: December 1956 - May 1957
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SOVIET ECONOMIC POLICY

December 1956 - May 1957

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SOVIET ECONOMIC POLICY

December 1956 - May 1957

FOREWORD

This study is an attempt to provide a somewhat detailed analysis of intelligence on Soviet economic policy from December 1956 to May 1957. It was written before, and does not consider, the convulsions of 3 July, but will be useful as background to an analysis of them.

Because it is relatively current, this analysis is not to be regarded as definitive. It is rather an attempt to pull together available factual information and to draw speculative conclusions on the meaning of the shifts in Soviet economic policy and on the insights these shifts provide into the problems of the Soviet leaders during this period. This study falls somewhere between the reportorial analyses of Soviet affairs in the regular publications of the Office of Current Intelligence, and the more detailed, less speculative CAESAR series of studies on the Soviet leadership, which are produced only after sufficient time has elapsed to allow a more complete accumulation of factual information. At a later date, if new evidence warrants, a CAESAR study on Soviet economic policy will be prepared to cover the year and a half following the 20th party congress.

This analysis is a working paper and represents the views of the Office of Current Intelligence, CIA.

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SOVIET ECONOMIC POLICY

December 1956 - May 1957

I. Summary

Although continuing to grow at a rapid pace, the Soviet economy faced severe strains at the end of 1956, partly because the Sixth Five-Year Plan was overambitious and the output of key raw materials, the construction program, and progress in improving labor productivity were behind schedule. Added burdens had resulted from new economic commitments to the Satellites and a possible halting or slowdown of the USSR's announced reduction of military manpower. Increased pressures for improved living standards generated by the de-Stalinization campaign and unrest in Eastern Europe, had also arisen inside the Soviet Union.

From December 1956 through May 1957 two meetings of the Soviet Communist Party's central committee were convened to consider solutions to these problems, two new top current planners were appointed, and a reduced 1957 economic plan was approved. In February, party first secretary Khrushchev began to act as the regime's public spokesman on economic management--a role Premier Bulganin had played earlier--and by May he had pushed through a new plan for drastically reorganizing industrial administration.

During this period the regime dealt with two major economic issues. First, it re-examined the question of how much emphasis heavy industry should receive at the expense of the Soviet consumer in order to maximize the USSR's economic-military potential. In Soviet terms, the regime re-examined the doctrines on the "primacy of heavy industry," and overtaking the West in per capita output "in a short historical time." Second, the regime initiated during this period drastic measures to reorganize economic management and planning, hoping to increase efficiency and thereby to attain ambitious economic goals in all fields simultaneously.

On the first of these issues, the re-examination of economic policy, the resolution of the central committee's 20-24 December plenum admitted that the economy was overextended. Most of the speakers at the meeting, however, reportedly agreed that there could be no fundamental revision of planned output goals, although some modifications could be permitted. The major measure called for by the December plenum to relieve strains in the economy was a reduction in capital investment and an effort to concentrate investments on construction projects nearing completion

rather than starting new long-range projects. The committee may also have rejected plans made earlier in December for the consumer, which called for an immediate expansion of the housing program.

The 1957 economic plan, presented to the Supreme Soviet on 6 February by presidium member and newly appointed chief current planner M. G. Pervukhin, scheduled sharp drops in the growth rates of heavy and light industrial output, output of key basic raw materials, and in the improvement of labor productivity. The rate of growth planned for capital investment also dropped, but the absolute volume of investment was scheduled to be about 9 percent greater than in 1956. The 1957 plan also allocated a slightly higher proportion of total resources to the consumer than in the two previous years, but this was consistent with the Sixth Five-Year Plan and developments in 1956, when "fringe benefits" granted the consumer were quite substantial. At the same time, however, the need for the continued primacy of heavy industry was heavily emphasized by both Pervukhin and the Soviet press. The discussion of heavy industry in Khrushchev's "theses," published on 30 March, suggested that the degree of emphasis to be given heavy industry had been a subject of recent debate within the regime.

There are grounds for speculation that the 1957 plan contained larger reductions in current output goals, and possibly smaller reductions in capital expenditures, than envisaged by the regime at the December central committee meeting. Economic administrators had tried unsuccessfully a year earlier to bring about similar changes in the 1956 plan.

Although the low 1957 plan was accepted, it is probable that the leadership did not consider this cutback in planning particularly palatable. Another meeting of the central committee was convened immediately after the Supreme Soviet meeting in February, and Khrushchev took the lead in propounding radical changes in industrial administration in order to reverse the slowdown in Soviet economic growth. In addition, at the February plenum of the central committee and later, the theme of catching up with the West was reaffirmed; the Soviet press placed increasingly strong emphasis on "socialist competition" to overfulfill the plan; and the current planning group under Pervukhin first was criticized and then was faced with Khrushchev's recommendation that it be abolished under the new industrial reorganization.

Early in May, Pervukhin was appointed head of the Soviet atomic energy program--an important post but one removed

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from over-all economic planning. Khrushchev, in his speech on the reorganization to the May meeting of the Supreme Soviet, explicitly criticized part of the 1957 plan. These events suggested that the party leaders regarded the low output goals of the 1957 plan with disfavor, and were unwilling to allow the low one-year goals to force a downward revision of the higher goals of the five-year plan.

The second complex of economic issues with which the Soviet regime concerned itself from December 1956 through May 1957 was reorganization and decentralization. In its efforts to maintain rapid industrial growth and to achieve all its other ambitious goals simultaneously, the regime had undertaken numerous "efficiency measures" in the management and planning field since Stalin's death, but the spate of such measures unveiled from December through May was far more drastic than those undertaken previously, indicating the seriousness with which the regime regarded its problems.

The new measures, which were clearly identified with Khrushchev, called for a reorganization of the economy along regional lines. The initial proposal was based on a report by Khrushchev at a Feburary 1957 meeting of the party central committee. In March, Khrushchev's lengthy "theses" on the reorganization were issued for public discussion, and in May Khrushchev presented the plan to a meeting of the Supreme Soviet for approval. Khrushchev's leadership in this field throughout the spring was part of his increasing pre-eminence in all areas of Soviet foreign and domestic policy. On the other hand, in the industrial reorganization as on several other subjects, Khrushchev during the spring modified his own previous positions, to take account of practical difficulties as the plan was worked out and also perhaps to obtain general agreement among the collective leadership. The industrial reorganization as approved in May was appreciably less drastic than that proposed in Khrushchev's theses in March.

Under the reorganization, to have been completed by 1 July, over 20 central industrial ministries were abolished, but key ministries running the atomic energy program, arms and related industries were retained. Over 100 regional economic councils are to be formed throughout the country to manage almost all industrial enterprises. These regional councils are to have fairly wide administrative powers but no policy-making functions, and the central authorities have explicitly been given the power to "suspend" decisions of the regional bodies. After the initial confusion, this reorganization may result in some improvement of industrial efficiency.

In the long run, however, regional bureaucracies and "special interests" will tend to replace present ministerial barriers and bureaucracies, minimizing the benefits of the reorganization.

II. Problems at end of 1956

At the end of 1956 and in early 1957, Soviet economic policy was in a period of flux, and despite efforts of the Moscow press to prove the contrary, Soviet leaders apparently encountered difficulties in finding acceptable solutions for their economic problems. Two separate meetings of the Communist Party's central committee were convened in this short period to discuss economic difficulties; the top current planner, M. Z. Saburov, was removed from his post in December; and a reduced 1957 economic plan was presented to the Supreme Soviet by his replacement, M. G. Pervukhin, in early February. Pervukhin, in turn, after receiving broad powers to supervise implementation of the plan, in early May had his current planning organization cut out from under him and most of its functions transferred to Gosplan, the newly reorganized body for both short- and long-range planning.

In addition, first party secretary Khrushchev began to act as the regime's public spokesman in the field of economic management at the February central committee meeting, and it was he who presented the plan for drastically reorganizing the economy along regional lines at the Supreme Soviet meeting on 7 May. In 1955 and 1956, Premier Bulganin had acted as spokesman on economic policy and management at central committee meetings and at the 20th party congress.

These signs of change came only one year after the ambitious Sixth Five-Year Plan had been presented to the 20th party congress in February 1956, and were in contrast with the confidence expressed by Soviet leaders at that time concerning the USSR's future economic growth. The reasons for this change were partly economic, partly political. By the end of 1956 the output of key raw materials such as coal, iron, steel, cement and lumber was behind plan. Increases in productivity, or output per worker, were also below schedule. Plans for the completion of new industrial construction projects and housing were lagging particularly badly. Serious lags in the construction of raw production facilities had existed since 1951, but until 1956 output goals could be and were met by drawing intensively on existing capacity. By 1956, however, opportunities to expand output from existing capacity had been reduced to a minimum, and the cumulative effect of the lags in construction was a basic reason behind the unsatisfactory output of raw materials.

Poor performance in these fields undoubtedly raised serious questions within the regime as to whether the Sixth Five-Year Plan as a whole was overambitious. At least some of the Soviet leaders probably realized that they were facing the dilemma of maintaining Stalinist forced-draft rates of growth in a system lacking many of Stalin's coercive controls. Furthermore, many of the most readily exploitable natural resources of the USSR were being fully utilized and increases in the rate of output would be very difficult. Expansion of raw material output in the eastern regions--the only long-range answer to this problem--would be a costly and slow process at best. Also hindering industrial growth was the increasingly severe impact of low war and postwar birth rates. The low birth rate of the 1940's was limiting growth of the industrial labor force, and the post-Stalin agricultural program precluded further large transfers of peasants to industry.

Political problems unforeseen early in 1956 increased the burdens on an economy already strained by the five-year plan. In order to maintain its position in Eastern Europe following the outbreak of Satellite unrest during the autumn of 1956, the USSR was forced to expand its economic aid to these areas, provide foreign currency and gold for needed purchases in the West, cancel prior debts of various Satellites, and reduce its own imports from Eastern Europe of certain important products, such as Polish coal. While the magnitude of this added burden was small in terms of total Soviet output, the Soviet leaders probably recognized it at least as an aggravation of existing strains. From November 1956 through May 1957, the USSR granted loans of over a billion dollars to Eastern Europe, and canceled prior debts of Rumania, Poland and Hungary to a total of $1.4 billion.

The need to maintain high military expenditures because of the increasing cost and complexity of modern weapons and increased East-West tension after Hungary and Suez also probably aggravated Soviet economic strains. The actual costs of the military intervention in Hungary and the more general Soviet military alerts connected both with Hungary and hostilities in the Near East were small, but the USSR may in addition have halted the implementation of previously announced demobilization plans. To the extent that the announced 1,840,000-man force reduction has not been carried out, the growth of the industrial labor force, and in turn industrial output, will be hampered accordingly.

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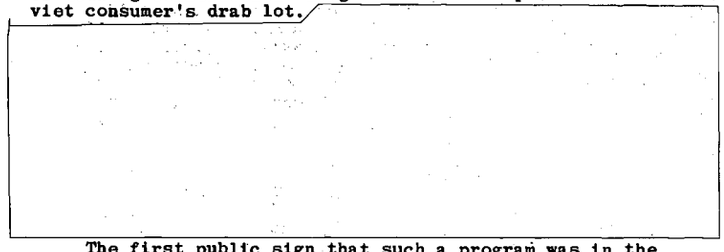
Another hindrance to rapid economic growth which could not have been clearly foreseen by the regime in early 1956 was the boost which the de-Stalinization campaign gave to pressures from the population in general, and the managerial technical and intellectual elite in particular, for more personal freedom, an easing of the constant pressures for high rates of industrial growth, and higher living standards. These pressures had been rising ever since Stalin's death, with the gradual moderation of police and coercive controls. The impact of de-Stalinization and the doubts it raised about inherent defects in the Soviet system, however, accelerated these forces. Of more immediate importance, and also connected with de-Stalinization, the unrest in Poland and Hungary probably made the Soviet regime more sensitive to discontent within the USSR, and more acutely aware of the need for economic concessions to alleviate the discontent and improve worker productivity. An increase of such concessions, however, would also reduce heavy industrial growth.

The following analysis attempts to show the Soviet reactions to these economic problems from December 1956 through May 1957, and point out certain inconsistencies in these reactions which suggest confusion or disagreement within the leadership over economic policy. There are two major issues with which most economic developments during this period can be linked, and which will be discussed separately in this analysis. The first concerns economic policy; a muted revival of the heavy-versus-light industry debate, and a re-examination of the relative emphasis which should be given to the expansion of industrial and military potential. To use the Soviet slogan, this was a re-examination of how rapidly the regime should attempt to "catch up" with the West in per capita output, and to what extent improvements in living standards should be subordinated to this end. The second major issue concerns economic reorganization; efforts to improve management and planning in order to reverse the downward trend of economic growth. Throughout the period under review, there was apparently some controversy over how much authority could be decentralized in the Soviet economy in order to increase efficiency, without losing the state control necessary to assure fulfillment of centrally made plans.

III. Economic Policy: Heavy Industry, The Consumer, and "Catching Up" With the West

A. Developments Before December Plenum

Although several of the new Soviet-Satellite economic aid agreements were concluded before December 1956, the first sign that Soviet internal economic plans were being re-examined in light of the above problems appeared in the field of housing construction--long the saddest aspect of the Soviet consumer's drab lot.



The first public sign that such a program was in the mill appeared in an Izvestia article of 12 December 1956 which stated that measures were "now being taken to increase significantly" the figure of 205,000,000 square meters of housing floor space originally scheduled for construction by the state during the Sixth Five-Year Plan.[3] About this time, Western news correspondents in Moscow sent out several stories reporting rumors that a party central committee meeting was to begin on 17 December and that a major increase in housing and consumer goods output was planned. On 16 December, however, a Pravda editorial quoted the original 205,000,000-square-meter housing figure as still valid, thus implicitly contradicting Izvestia's statement four days earlier.[4]

Some evidence also appeared in mid-December that a broader question was at issue, at least among Soviet economists, whether or not the USSR could continue indefinitely its very high rate of economic growth. The continuance of this rapid growth, in order to overtake and surpass the leading Western nations in a short time in per capita output, was built into the original schedules of the Sixth Five-Year Plan. The drive to overtake the West had always been a basic cornerstone of Soviet economic policy, and had received particularly frequent attention in Soviet propaganda since the 20th party congress. In an issue of the Soviet journal Planned Economy (Planovoye Khozyaistvo)

which was published in mid-December, the economist Ya. Joffe stated that it was necessary to reject the propositions of some authors that as the size of the economy increased, the "tempo of growth" must be reduced.[5]

The practical significance of the doctrine that quickly catching up with the West in per capita output was the "main economic task" of the USSR was probably that it provided the rationale for the continued preferential development of heavy industry. Equaling the West in per capita output would be, even in terms of the most optimistic Soviet interpretations, several five-year plans off. Continued primacy for heavy industry, however, was apparently regarded as absolutely necessary for maintaining rates of growth far enough above those of the West to keep the goal of catching up within decades rather than within half centuries. The narrower question of housing was also related to the broader question of over-all industrial growth, since diversion of resources to housing, at least in the already strained Soviet economy, would adversely affect heavy industrial growth.

At the same time, events elsewhere in the Sino-Soviet bloc were probably exerting some influence on the thinking of Soviet leaders on these problems. It was probably apparent to them as early as October that just about all of the East European Satellites would have to revise their 1957 economic plans in favor of consumer interests, and reduce heavy industrial investment, in order to alleviate some of the basic causes of unrest in those areas. In China during the same period, several articles appeared in the press and economic journals suggesting that the ratio of investment in heavy industry to investment in light industry be reduced from the eight- or seven-to-one which applied in China's First Five-Year Plan to six-to-one for the Second Five-Year Plan (1958-1962). Although Soviet statistics may not be strictly comparable, the corresponding ratio in the USSR had been about ten-to-one throughout the postwar period, except for the "new course" year of 1954, when the Soviet ratio dropped to around seven-and-one-half-to-one.

The reasoning in one Chinese article was that an increase in consumer goods production would promote higher agricultural output by providing better incentives to the peasants. In turn, the people's livelihood would be enhanced, "the alliance of workers and peasants" would be consolidated, the state's accumulation of capital increased, and the rate of development of heavy industry further accelerated. This tendency to regard heavy industrial growth as at least partially dependent on agricultural and consumer goods output differed from both

the Soviet and official Chinese dogma on primacy of heavy industry, under which the growth of agriculture, consumer goods, and the country's military power depended wholly on heavy industry. Another Chinese article stated that "some comrades," after seeing the "mistakes" of certain East European countries, had raised questions regarding the conflict between the preferential development of heavy industry and the care for the people's livelihood. The article, however, rejected these questions as not applicable to China.[6]

These developments elsewhere in the bloc probably had no more than an indirect impact on the Soviet regime's thinking concerning its own economic policy. Any explicit influence China had would likely have gone in favor of heavy industry, since it was in this field that China needed Soviet assistance. Some influential people in the USSR, however, were perhaps swayed by the same type of thinking. Furthermore, in the case of the East European Satellites, Soviet approval of their plan changes was probably required.

The central committee meeting called to discuss economic problems began on 20 December, not 17 December, as reportedly scheduled. The reason for the postponement is not definitely known, but a Western correspondent described by the American embassy in Moscow as having exceptionally good Soviet sources reported at the time that there were "problems" connected with the new economic program, and it might not come as planned. This journalist's sources said the plans had called for a shift of resources to increase housing construction and consumer goods output, some reduction in output of conventional military weapons, a cutback in construction of cultural and communal facilities, and increased production of consumer goods at heavy industrial plants.[7]

B. The December Plenum

The central committee plenum, which met from 20 to 24 December in Moscow, did not make any significant changes in plans for the Soviet consumer. The Moscow press published two "decisions" of this meeting. One, on the need to improve the guidance of the economy, will be discussed below in the section on reorganization of the Soviet economy. The other, on "drawing up more specific control figures" for the nation's economic plans, essentially postponed a decision on how much of an increase in resources could be devoted to housing and consumer needs, and at the same admitted that heavy industry was suffering severe strains from overambitious planning.

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The order was issued that the individual goals of the five-year plan and the 1957 plan be made "more specific," and that the five-year plan be presented in final form to the Supreme Soviet by mid-1957. The orders on how the individual goals were to be revised were broken down into two parts, one on industry in general, and one on housing:

> "(a)...reduce the volume of capital investments and...make the list of construction projects more specific, with a view toward reducing the number of them, primarily at the expense of new construction projects.... Revise the plan goals for individual industries which have not been supplied with sufficient materials....
>
> "(b)...seek out opportunities for allocating additional funds for housing...."

Thus the regime apparently could not agree on the immediate implementation of plans, which earlier evidence suggests had already been formulated, for a new division of resources between the consumer and an already overstrained industry, but called for a re-examination of how resources were to be divided.[8]

The central committee resolution on revising the plans reiterated that the basic policy pronouncements of the 20th party congress should remain as the guidelines for the plan. The need for continuing the primacy of heavy industry was reaffirmed, as was the line on catching up with the West in a historically short time. As on previous occasions, a call was issued "to develop constantly socialist competition as a powerful means of struggling for fulfillment and overfulfillment of economic plans." While admitting that industrial and construction plans might require a slight downward revision, and that opportunities should be sought for increased housing construction, the resolution asserted that such changes were to have no impact on the basic doctrines underlying the original five-year plan.

[redacted] indicated that capital investment problems were mainly responsible for the plenum.[9] During 1956 many ministries had reportedly put in strong bids for more investment funds, arguing that their goals could not be achieved without higher investments. The difficulties of increasing investment, compounded by pressure for more housing, resulted in "sharp" discussions at the plenum, [redacted] Most of the speakers reportedly agreed that there could be "modifications" but no fundamental revision of the five-year plan output goals, and that capacity for accomplishing them must be found within existing factories.

At the same time, the plenum clearly ordered a reduction in capital investment. [redacted] stated that Khrushchev and Molotov were leading speakers at the plenum, although the published decisions of the meeting were based on reports of Saburov, Baibakov, and Bulganin. [redacted] lso suggested that a revival of the "heavy-versus-light industry" controversy occurred at the plenum, remarking that the party has always had to fight against a "right-wing tendency" to lower the tempo of heavy industrial production in favor of the consumer.

The seriousness with which the Soviet leaders regarded their economic problems became clearer two days after the plenum ended. The Soviet press on 26 December carried a decree appointing M. G. Pervukhin, member of the party presidium and first deputy premier, head of the State Commission for Current Planning, and removing M. Z. Saburov from this post. The reorganization of the Current Planning Commission will be discussed in more detail below as it relates to other measures for economic reorganization. In terms of pressures to change the division of available resources among various branches of the economy, however, it is important to note that the six top administrators who were named as Pervukhin's deputies represented almost all major economic sectors. As first deputies to Pervukhin were appointed--

> --A. N. Kosygin, whose background is primarily in light industry,
>
> --V. A. Malyshev, with a background in heavy industrial technology, atomic energy and shipbuilding.

As deputies to Pervukhin were appointed--

> --M. V. Khrunichev, with an armaments industry background,
>
> --V. A. Kucherenko, identified with the construction industry,
>
> --V. V. Matskevich, minister of agriculture and long connected with this field,
>
> --I. A. Benediktov, minister of state farms and for years a leading agricultural official.

All six of these men were given the rank of minister (the first four headed no specific ministries, while Matskevich and Benediktov retained their portfolios). The first five had previously been deputy premiers of the government, and were relieved of these posts.

There are several possible reasons for Saburov's removal from the top current planning post. The admission by the plenum of excessive strains in economic plans was very similar to criticisms of the Sixth Five-Year Plan made at the 20th party congress by Minister of Ferrous Metallurgy A. G. Sheremetev and Minister of the Coal Industry A. N. Zademidko. At that time Saburov censured these ministries, saying they had proposed "reduced plans," and had requested more investment funds than they needed. Saburov said "the party and the government had to intervene in this matter," raise the plans, and cut down on the investment requests. The performance of the ferrous metals, coal and several other industries in 1956 showed that Saburov had erred in raising the goals, and perhaps in encouraging an overly optimistic view of the rapidity with which the USSR could catch up with the West.

At the same time, however, the December plenum ordered investment reduced and repeated in milder form Saburov's earlier condemnation of efforts "by some executives" to have their economic plans reduced and thereby "to conceal their unsatisfactory work." According to the resolution, plans should be "realistic, but not too low." The surprisingly low goals announced in the 1957 plan a little over a month later suggested that Pervukhin's committee went further than the central committee had intended. Overambitious planning perhaps was a factor in Saburov's ouster, but the wording of the December plenum suggested that less of a reduction in goals was foreseen than actually occurred.

Another possible reason for Saburov's removal was that his Current Planning Commission presumably drew up the housing program, the immediate implementation of which was rejected by the December plenum. [redacted] Opposition to the program, which probably centered on the fact that industrial construction would suffer and that cuts in industrial investment were already being forced by material shortages, could well have become opposition to the formulator of the program.

In another personnel change which occurred immediately after the plenum, I. F. Tevosyan was relieved of his duties

as deputy premier and appointed ambassador to Japan on 30 December. No evidence provided a reason for this apparent demotion, but Tevosyan, apparently the deputy premier with over-all responsibility for the metallurgical industry, might have been blamed for the poor showing of that industry in 1956. He could also have opposed some of the proposals at the December plenum on economic reorganization. (See Section IV, following.)

C. From December Plenum to February Supreme Soviet

While the reorganized Current Planning Commission was revising the 1957 plan in the six weeks following the December plenum, the Soviet Union continued the process of negotiating new aid and trade agreements with the Satellites, which increased at least marginally the strains on home resources. East Germany's Premier Grotewohl, returning from Moscow at the end of January with a new aid agreement, explicitly commented on the USSR's added burdens. He said it was "not easy" for the USSR to give the aid agreed upon, since the Soviet Union had to "shoulder the great economic tasks which have arisen from the convulsions in some socialist countries."[10] Probably because of Satellite needs for hard currency, and also because the USSR had a sizable adverse balance in its 1956 foreign trade, Soviet gold exports increased to a level which, if continued through 1957, would be considerably in excess of gold sales in the previous peak year, 1953, when the USSR had exported about $150,000,000 in gold.

Soviet aid programs to the free world during this period continued at roughly the level of the last half of 1956, although the USSR did not come up with a large counteroffer of economic aid for the Near East in reaction to the new American program. Arms shipments continued to Syria, and negotiations for re-equipping Egypt's armed forces were under way. The Soviet Union in the last half of January did tell Yugoslavia that implementation of its aid agreement with that country could not be carried out immediately, and in February the USSR postponed until 1961 the East German-Soviet project to help Yugoslavia build an aluminum combine.[11] These moves were almost certainly politically motivated, and intended to exert pressure on Yugoslavia in its dispute with the Soviet Union, but they also allowed a slight reduction in Soviet and East German economic commitments.

Within this framework the Current Planning Committee under Pervukhin worked during January to revise the 1957 plan. The Communist Party newspaper Pravda in mid-January reacted to Western press reports which had seized on the implication

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in the December plenum resolution that Soviet industrial growth would slow down. The Soviet press during this period also shot off the first salvos calling for a massive campaign of "socialist competition" to overfulfill the 1957 plan and later the Sixth Five-Year Plan, in honor of the 40th anniversary of the 1917 revolution. Pravda's editorial on 12 January accused "hostile bourgeois propaganda" of "trying to portray the decisions of the (December) plenum as a reflection of some special difficulties facing our country, as a rejection of earlier planned higher rates of industrial construction." After labeling these views "slanderous," Pravda said that the question was not "a rejection of higher tempos of industrial construction, but a transition to a new stage of economic development in which high tempos are guaranteed not only, and not so much, by large capital investments as by more correct utilization of available resources." The editorial further argued that it was possible to lower capital investment in industry, thus providing more resources for housing, and at the same time increase "tempos of new industrial construction."

The fact that the 1957 plan announced the following month did show a substantially reduced growth rate for industrial output suggests first that Pravda's blast was aimed at internal pressures favoring a reduced growth rate as well as at "hostile bourgeois propaganda," and second, that the regime acquiesced to these pressures, at least temporarily. The corresponding Izvestia editorial of 12 January reiterated the December plenum's criticism of economic administrators who attempted to get plans approved which were lower than necessary.

The speeches made by the Soviet leaders on their tours through the provinces during the last half of January differed in their emphasis on various points. Only the speeches of L. M. Kaganovich and N. I. Belayev explicitly repeated the goal of catching up with the West in the shortest time, but all the others discussed in general terms the alleged superiority of "socialism" over capitalism and the inevitable victory of the former. The leaders all restated the primacy of heavy industry, but their speeches contained some interesting variations concerning benefits for the consumer. Bulganin, speaking in the Tadzhik SSR, admitted shortcomings in housing and supplies of consumer goods and said that efforts were being made to end these shortcomings. He emphasized, however, that "everything cannot be done at once." Kaganovich, speaking in Krasnoyarsk, said that under the directives of the December central committee meeting, the five-year plan was being "worked out" to ensure the preponderant development of heavy industry, but at the same time "to effect a sharp rise in the material

well-being...of the Soviet people." A. B. Aristov, in Chelyabinsk, stated that measures implemented during 1956 to raise living standards were one of the reasons why "some amendments" in the Sixth Five-Year Plan were required.

Also bearing on future economic policy was the way in which the leaders regarded the USSR's military strength in these speeches. The thesis calling for continued primacy of heavy industry has always been based in part on the country's need for military strength, and Bulganin, speaking in the Tadzhik SSR, reiterated this point strongly. Khrushchev, in Tashkent, said that the "mad arms race" being carried on by the United States demanded "increased vigilance and strengthening of our armed forces." However, Malenkov, speaking in Chkalov, took a more moderate view:

> "Our party teaches, and the whole experience of the struggle against the internal and external enemies of Communism shows, that one must not underestimate the enemy. But at the same time one should not overrate his strength or have a false picture of the strength of the capitalist world."

[redacted] meanwhile, the regime's leaders, in their speeches throughout the country, were pointing to the December plenum's cautious promise to seek more resources for housing as evidence of the party's concern with this problem. In addition, both Pravda and Izvestia frequently devoted editorial space to the subject, generally repeating the words of the December plenum and urging that better use be made of local resources, rather than state funds, to increase the supply of housing.

D. The February Supreme Soviet and the 1957 Plan

The 1957 plan presented by Pervukhin to the Supreme Soviet on 5 February scheduled sharp reductions in rates of growth for most branches of the economy. Heavy industry was planned to grow 7.8 percent in 1957, compared with the 11.4-percent growth announced as achieved in 1956, and light industry was to grow 5.9 percent, against last year's 9.4 percent. Growth of industrial labor productivity, scheduled at 5.4 percent for 1957, compared with a 7-percent growth achieved in 1956. In the field of capital investment, the figures may not be strictly comparable, but the 1957 plan called for almost a 9-percent increase, compared with a 17-percent increase in 1956.

In industry, Pervukhin emphasized particularly the need to increase the capacities of the fuel, metals and building materials industries, and scheduled much larger increases of capacity than of production. Military allocations in the budget were scheduled at practically the same high level as actual expenditures in 1956. Although the growth of light industry was planned to be below that of heavy industry, allocations to light industry from the budget increased far more in percentage terms (and slightly more in absolute terms) than did allocations to heavy industry.

The 1957 housing plan called for construction of 46,000,000 square meters of dwelling space from both state and private funds, compared with the 36,000,000 square meters actually built last year. This was a very substantial increase, and was consistent with the schedule of the original five-year plan, while 1957 goals in most other categories were below levels necessary to achieve the five-year plan. On the other hand, the housing increase did not represent an upward revision of the original five-year plan goal, as some earlier evidence had suggested would be the case.

In foreign trade, Pervukhin scheduled a 13-percent increase in total trade with other countries of the bloc. He said that the doubling of Soviet trade in 1956 with the Near East and Asia "should be noted," but omitted any reference to future trade with this area.*

*This report is not intended to give a detailed analysis of the 1957 Soviet economic plan, except as it affects the main lines of Soviet policy.

In Pervukhin's speech, and throughout the published discussions on the plan at the Supreme Soviet, there was no reference to the doctrine of catching up with the West in per capita output in a historically short time. The complete silence on this point possibly reflected unhappiness within the leadership over the sharply cut rates of growth in the plan. Less than a month earlier the Pravda editorial of 12 January had attacked as "hostile bourgeois slander" any speculation that the rate of growth would in fact drop, and yet precisely this happened.

The leadership may not have envisaged at the December plenum the drastic revision of current output goals in the 1957 plan. The wording of the December plenum's resolution had indicated some downward revision, but not so large a one as appeared in the plan. Furthermore, the December plenum had explicitly ordered "the volume of capital investment" to be reduced, and in fact the absolute volume increased, although at a slower rate than in the preceding year. The plenum's instruction may have meant a reduction below the original 1957 plan, or a reduction below the absolute volume of 1956. In any event, it seems likely that in working out the 1957 plan, Pervukhin allowed larger reductions in current output goals, and perhaps smaller reductions in capital expenditures, than were envisaged by the December plenum.

Plan changes of precisely this type would be favored primarily by economic administrators, from ministers and their deputies down to individual plant managers. At the 20th party congress a year earlier it was such individuals who had been squelched by Saburov in his successful efforts to revise the 1956 output goals upward, while cutting back the investment funds requested by ministries. Since Pervukhin and his deputies were primarily experienced in industrial administration, rather than in planning or in the party apparatus, they might have had more sympathy than their predecessors for arguments in favor of reduced output goals.

The likelihood that the 1957 plan was not exactly the one ordered by the December plenum was strengthened by the fact that Pervukhin emphasized throughout his speech on the plan that the goals should be overfulfilled. His frequent references to the ease with which the plan could be overfulfilled far outweigh his one reference to the plan being realistic, but not too easy. Pervukhin probably found himself in an unenviable position, pressured by industrial administrators to lower plans, and faced by displeasure from other members of the party leadership when he did.

On the subject of heavy industry, the 1957 plan also represents a possible departure from the propaganda line and the policy of 1955 and 1956. As noted previously, total allocations from the state budget to light industry increased more than did allocations to heavy industry (these budgetary allocations cover certain operating expenses as well as investment, and figures for investment alone are not available). This happened last in 1954. Furthermore, the lead editorial in an issue of the party journal Kommunist which was published later in February stated that in the 1957 plan the proportion of total allocations devoted to production of consumer goods, housing, schools and hospitals was higher than in 1956.[16] The Pravda editorial of 9 February, after reaffirming at great length the preferential development of heavy industry, and emphasizing that heavy industry was "the solid foundation of the national economy...and its defense capacity," stated that "the distinguishing feature" of the 1957 plan was that it envisaged "higher tempos than hitherto for the production of consumer goods."

Thus, in practice, the plans for 1957 apparently called for giving the consumer a little larger piece of the total pie this year. This probably resulted in part from the fact that housing plans, although not increased above the original schedule, were at least not cut back this year; in part from last year's good harvest, which should increase food supplies in 1957; and in part from the increased budgetary allocations to light industry. Increased emphasis on improving living standards had actually begun to develop earlier. The Sixth Five-Year Plan approved by the 20th party congress had indicated that the consumer would receive a gradually increasing share of total resources in the later years of the plan. In 1956, substantial "fringe benefits," such as higher pensions and increased minimum wages, were granted the consumer.

Although an increased proportion of total resources could be devoted to the consumer in any one year without raising the growth rate of output for the consumer above the heavy industrial output, it may actually be somewhat difficult for the USSR to keep light industry's rate of growth below that of heavy in 1957. Agriculture provides more than half of the raw materials for light industry in the Soviet Union, and last year's large harvest will tend to increase light industrial output this year. Unless present problems in the fuel, metals and building materials industries are solved, on the other hand, heavy industry may face continued raw materials shortages. (Housing, of course, is not included in the Soviet accounting categories for either heavy or light industrial output.)

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The pressures faced by the planners both to give more to the consumer and to allow industry more investment funds appeared very clearly in the speeches of local deputies at the Supreme Soviet meeting. A representative from the Estonian SSR complained that an industrial plant in his region was to have been modernized under the directives of the 20th party congress on the Sixth Five-Year Plan, and said this modernization, which was to have begun in 1957, was being postponed and now "was not even included in the Sixth Five-Year Plan." A deputy from Leningrad complained that under the five-year plan directives two long-distance gas pipelines were scheduled for construction to Leningrad by 1959, but that now only one was envisioned. A female deputy from the Latvian SSR quoted a decree of the Council of Ministers which ordered all enterprises employing more than 500 women to have their own children's institutions, and criticized various ministries for not obeying this decree. She pointed out that the Ministry of Light Industry employed 33,000 women in Latvia, but had kindergartens and nurseries for less than 900 children.

The speeches at the Supreme Soviet also provided further evidence that housing plans, except in a few large cities like Moscow or vital industrial areas like the Donbas, were not being revised upward. A Moscow delegate did announce that the five-year housing plan for the capital was being increased from 9,000,000 to 11,000,000 square meters. A deputy from the Karelian Autonomous Republic said that sawmills of his area subordinate to the Ministry of the Timber Industry had produced 159,000 square meters of prefabricated housing in 1956, but were ordered to reduce output sharply in 1957, to 60,000 square meters. Representatives of the Azerbaidzhan SSR, Chuvash Autonomous Republic, and Kemerovo Oblast also complained that housing plans for their areas were either the same as last year or lower.

E. From the Supreme Soviet to Khrushchev's Theses

After the Supreme Soviet, the spotlight shifted from economic policy to economic reorganization in the USSR (the latter problem will be discussed in the next section). Immediately following the Supreme Soviet, a new central committee plenum met on 13 and 14 February, and issued a resolution based on proposals of Khrushchev for a drastic reorganization of economic administration along regional lines. This proposal, to be worked out in detail and presented to the next meeting of the Supreme Soviet by the party presidium and Council of Ministers, was described in a later speech by Khrushchev as an effort to evoke a great new upsurge of industrial output, comparable to that achieved in agriculture by the similarly grandiose "new lands" program.

Some parts of the February plenum's resolution, however, do concern economic policy, and may represent the reaction of the party leadership--or dominant elements of it--to the low 1957 plan, which was perhaps not precisely what they had ordered two months earlier at the December plenum. While accepting the plan, the party leaders through their own forum, the resolution of the plenum, issued several statements inconsistent with those made at the Supreme Soviet. The optimistic tone of the plenum's resolution was similar to that of the 20th party congress a year earlier, and the pledge to "overtake and outstrip the most developed capitalist countries in per capita production" was restated. The resolution emphasized that the most important condition for achieving this aim was rapid growth of labor productivity, and stated, "We have every possibility to achieve this task successfully." As mentioned earlier, Pervukhin ignored the theme of catching the West in his presentation of the plan to the Supreme Soviet, and the plan scheduled only a 5.4-percent increase in industrial labor productivity.

In addition, the plenum leveled a criticism at the Current Planning Commission, which was not mentioned in December; it was probably aimed at Pervukhin's commission, rather than at Saburov's. The commission was ordered not to "duplicate the work" of Gosplan (long-range planning), and not to interfere with "functions of management." Finally, the February plenum's resolution contained no reference to the 1957 plan which had just been approved, although it did have praise for the rapid economic growth of 1956.

The accusation that the commission was duplicating the work of Gosplan might indicate that the party leaders regarded the low 1957 plan goals as incompatible with higher goals, which, they perhaps insisted, had to be incorporated in the revised five-year plan. At any rate, the campaign to develop "socialist competition" for overfulfilling the 1957 plan in honor of the 40th anniversary of the 1917 revolution picked up steam after mid-February. Pravda editorials between 18 February and the end of March mentioned this subject on 10 days, and Izvestia followed suit, although less frequently. Pravda on 3 March called for fulfillment ahead of time of the Sixth Five-Year Plan goals, as well as the 1957 plan, and an editorial of the trade-union paper Trud repeated this line early in March. On 17 March, a central committee resolution was issued concerning preparations for the 40th anniversary of the revolution, which explicitly called for overfulfillment only of the 1957 plan, and also repeated the goal of overtaking the West in a historically short time.

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On 30 March Khrushchev's "theses" on the proposed economic reorganization were issued, and again the goal of catching the West was strongly reaffirmed. The theses also called for the transfer of most of Current Planning Commission functions to Gosplan, and the abolition of the former. The failure of Pervukhin to be appointed as head of this combined current and long-range planning group tends to confirm speculation that his conservative approach to the 1957 plan was not satisfactory. Subsequent reports that both Malenkov and Khrushchev told Westerners that Saburov had drafted Khrushchev's theses on the reorganization suggest a return to more ambitious planning after the 1957 plan was formulated.

Khrushchev's theses also contained a lengthy analysis of why continued primacy for heavy industry was necessary, and the wording suggests (1) that the degree of emphasis to be given heavy industry had recently been under debate within the regime and (2) that Khrushchev may have compromised slightly his earlier hard position. On one hand, he emphasized--

> "If we accept an incorrect and false interpretation and direct the basic means toward the development of...light industry, we can but achieve a semblance of success and ensure the satisfaction of certain demands for a short time only. And this will be at the expense of undermining...the development of our economy in the future....In order to outstrip the most developed capitalist countries in per capita output, it is necessary...to ensure the priority development of heavy industry."

On the other hand, Khrushchev made several statements different from any he had made previously, at least since early 1955:

> "....It is impermissible to tolerate the primitive interpretation of the role and interrelation of heavy and light industry, the harmful contrasting of these branches....The matter should not be pushed to the verge of absurdity --to one-sided development of heavy industry ignoring the development of light industry-- which inevitably would cause difficulties in the development of the national economy and delay the further improvement of the living standards of the people."

In a speech to agricultural workers on the same day, 30 March, Khrushchev formulated his position as follows:

> "....While further consolidating heavy industry, which is the basis of the national economy, we must at the same time produce more clothing, various foodstuffs--and not simply foodstuffs, but good ones--build more houses, and also satisfy other needs of the people. Our Soviet people must have the highest living standard in the world, and we shall achieve this great aim."

This is reminiscent of the position taken by Malenkov in August 1953, and probably reflects Khrushchev's desire to have his cake and eat it too.

Whether or not Khrushchev has modified his stand, two articles published in the party journal Kommunist shortly after the February plenum illustrated the type of thinking which could lead to a change, and the intellectual pressures for a change. One of the articles, entitled "Survivals of Capitalism in Men's Mentality Under Socialism and How to Overcome Them,"[17] implied quite clearly that the recent increase of intellectual nonconformity and of vocal opposition to defects in the Communist system was caused in part by low living standards. The author noted that often the only means suggested to combat the "relics of alien ideology" were education measures. This "one-sided approach," was seen in too many articles and pamphlets, which "assert that backward views in a socialist society exist only because men's consciousness lags behind the new conditions of life." According to the author, this did not "fully explain the survivals of backward views, and especially the fact that they grow even stronger at times." The author emphasized that improved living standard as well as educational measures were necessary to combat these tendencies, and concluded--

> "Insofar as socialism and the socialist principles of distribution still cannot secure the full elimination of differences (between classes) and the satisfaction of material needs, or of other "birthmarks" of the old society, these "birthmarks" may under certain conditions nourish backward views to one or another extent, and actually do so."

The lead article in the same issue of Kommunist was devoted to a discussion on the Supreme Soviet meeting and the

1957 plan, with several paragraphs at the end on the February plenum.[16] This editorial did not repeat the lines on primacy of heavy industry or catching the West. It devoted much of its attention to explaining why the Supreme Soviet had approved legislation decentralizing certain powers for Moscow to the union republics (this will be discussed in the section on reorganization, following). The rationale given for this increase in "democracy" could very easily apply, although the authors did not explicitly make it apply, to the slowing down of growth rates and slightly increased emphasis on consumption in the 1957 plan. The article pointed out that the steady increases in "democratization" during recent years were sometimes connected wholly with the need to eliminate effects of the personality cult, but stated that the basic reason for more democracy lay "in the objective changes which have transpired in the economic, cultural and political development of the Soviet peoples."

Among these "objective factors," the article emphasized that a number of "socialist" countries had sprung up around the USSR since the war, and the existence of these countries had substantially weakened the bonds of "hostile capitalist encirclement." Therefore, "Communist construction in the USSR during the postwar period has been developing...under more favorable external conditions." Since there was "firm confidence" in the invincible might of the "socialist" countries, the existence of the "socialist" bloc raises in a new light questions of economic, social and political development. "He who does not understand (this)...demonstrates his inability to conceive of socialist development in any but a narrow national framework." This seems to be at least a suggestion that "capitalist encirclement" of the USSR has been weakened to such a point as to justify a new look at basic Soviet policies in all fields.

F. The May Supreme Soviet

In the month between the issuance of Khrushchev's theses and the Supreme Soviet meeting of 7 to 10 May, Soviet internal propaganda concentrated on the nationwide and allegedly "free" discussions of the proposed industrial reorganization almost to the exclusion of other economic themes. The economic planners presumably continued their efforts during this period to make the 1960 industrial output goals of the five-year plan "more exact," to "eliminate excessive strains" by slight reductions in these goals, and to cut back planned capital investments. There was no public reference in April or May, however, to the December plenum's instruction that the plan's final version be worked out by midyear. The

sharp reductions in the output goals of the 1957 annual plan probably made difficult the attempts of the long-range planners to maintain basically unchanged the original goals of the five-year plan.

An event occurred just before the Supreme Soviet convened which tended to confirm that the regime was dissatisfied with the magnitude of reductions in the 1957 plan. Pervukhin, though the logical candidate for the chairmanship of Gosplan, was appointed on 3 May minister of medium machine building. This appointment as chief of the Soviet atomic energy program gave Pervukhin a very important job, but one removed from over-all economic planning. As head of Gosplan, which under the reorganization was made responsible for both long-range and current planning, the regime on 5 May appointed I. I. Kuzmin, a previously obscure party apparatus man with experience in the industrial field but with little political standing. He was not a member of the party central committee, although he was on its auditing commission.

There is no evidence which explains Kuzmin's appointment. He could be a protegé of Khrushchev from the party apparatus. As an equal possibility, however, he could represent a compromise choice by the party presidium of a lower-level individual who did not have an independent power position and who would therefore be responsive to the collective leadership in formulating and implementing the five-year plan. In view of Khrushchev's increasingly evident dominance over the Soviet leadership during April and May 1957, the first of these alternatives seems more likely.

Khrushchev's lengthy speech at the Supreme Soviet meeting in May was devoted primarily to the industrial reorganization but also contained some clues concerning economic policy. The propaganda lines on primacy of heavy industry and catching up with the West in per capita output were again emphasized. In addition, Khrushchev explicitly criticized the Current Planning Commission under Pervukhin for the way in which the 1957 plan for the coal industry was formulated. According to Khrushchev, a plan had been worked out in 1956 to improve coal mining in the Donbas, but "a few months later it was arbitrarily violated during the drafting of a new plan for 1957." Khrushchev also criticized the planning organs, though not specifically in connection with the 1957 plan, for "agreeing too easily...to superfluous capital investment." These criticisms are the best evidence to date that the regime regards at least some elements of the 1957 plan with disfavor.

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The May Supreme Soviet meeting gave no consideration to the five-year plan, although last December the party central committee instructed that the final version of the plan be presented to the Supreme Soviet by mid-1957. The reduced 1957 plan makes the original 1960 goal for industrial output almost impossible to fulfill, but evidence as of May 1957 presents a conflicting picture on whether or not the five-year plan output goals will be substantially reduced.

On the one hand, in addition to showing signs of dissatisfaction with the low 1957 annual plan, several Soviet leaders have recently made very optimistic statements on the USSR's prospects for overtaking the United States' economy. Bulganin, speaking to a group of visiting American women on 5 May, made an off-the-cuff comment that the Soviet Union could catch up with the United States in another 40 years. Khrushchev, speaking on 22 May to agricultural workers in Leningrad, boasted the USSR could overtake the United States in the output of meat and dairy products by 1960 or 1961, despite predictions of "some economists" in the USSR that this goal could only be reached by 1975. This willingness to flout the views of experts in one field suggests that Khrushchev would also oppose efforts in other fields to reduce plan goals. Soviet newspapers in recent months have also restated many of the original 1960 goals, including those for coal, pig iron, state housing, internal trade, petroleum and light industry.

On the other hand, according to an early May report [redacted] the 1960 industrial production target had been cut from 165 percent of 1955 to a new target of 158 percent. In addition, the Soviet press revealed reductions of from 5 to 10 percent in five-year plan industrial goals of two individual republics--Latvia and Uzbekistan--in April and mid-May respectively. In late April, an article in the party journal Kommunist, by a senior economist of the State Planning Commission, also implied that the capital investment target of the Sixth Five-Year Plan had been cut. Centrally planned investment was originally scheduled to be 990 billion rubles during the plan period (1956-1960). Calculations based on data in the Kommunist article indicate that such investment has been reduced 6 percent to 930 billion rubles. This probably signifies a real reduction in planned investment, but not conclusively so, since centralized investments (those scheduled by the central planning bodies and carried as part of the national economic plan) may constitute a smaller proportion of total investment under the reorganized administrative structure of industry.

While the conflicting evidence on the five-year plan allows no conclusion as to the plan's final form, it suggests that pressures in favor of a substantially reduced plan and pressures for optimistic, exceedingly ambitious plans continue to exist side by side. Since Khrushchev, an apparent protagonist of ambitious plans, has modified his own previous positions on the industrial reorganization and on several other subjects this spring, he could do the same on the five-year plan, probably without loss of face or influence, if he felt such a move necessary in order to obtain agreement among the collective leadership.

IV. Economic Reorganization: Efforts to Improve Management and Planning

The second complex of economic issues with which the Soviet regime concerned itself from December 1956 through May 1957 was reorganization and decentralization. Unwilling to face the prospect of slower heavy industrial growth, or perhaps unable to reach a stable agreement that this was the only feasible way to eliminate serious strains in the economy, the leaders had been striving since Stalin's death to increase economic efficiency and improve management so as to achieve all their ambitious goals simultaneously.

An earlier spate of "efficiency measures" appeared, for example, in mid-1955. In May of that year, the State Planning Commission (Gosplan) was split into separate bodies for long-range and current planning, and new, high-level government committees for wages and labor and for introducing new technology into the economy were established. At the July 1955 meeting of the central committee, a major program was launched to modernize Soviet industry and increase its efficiency. [redacted] a major reorganization and reduction in force in the ministry of State Control, and the continuing drive to reduce bureaucracy throughout the economy was accelerated. In addition, various industrial ministries were split into more specialized ones from 1954 through early 1956 to improve management and increase efficiency. A similar spate of more drastic measures, some even reversing several of those listed above, were adopted or proposed from December 1956 through March 1957.

The "efficiency measures" of the recent period were intended to achieve a real degree of decentralization, along geographic lines, of authority and responsibility for implementing economic plans, and a semblance of decentralization of the responsibility for formulating economic plans. At the same time, all public statements during this period emphasized that central control was to be retained over both the formulation and implementation of basic economic policies. The mere statement of these aims shows the dilemma which faces the regime and which none of the measures adopted during this period answered very precisely: how much real decentralization can be allowed without reducing the ability of the central authority to implement national policy?

Present information on Soviet efforts toward economic reorganization from December through March indicates that the regime faced two specific problems:

(1) Should a reorganization of industrial management be carried out wholly along geographic lines, or should the authority and independence of individual but centralized ministries be strengthened? Once this question had been decided in favor of geographic decentralization, should economic regions be organized according to existing political divisions--republics, krais and oblasts--or should the regions be set up according to economic logic, incorporating fairly well integrated industries and services in one region?

(2) How should the planning bodies, state control apparatus, trade unions and financial organs be reorganized so as to assure central control? What role should the Communist Party apparatus play?

A. Background: Before the December Plenum

One of the methods by which the regime attempted to increase industrial efficiency from 1954 through early 1956 was to split up existing industrial and construction ministries, forming new and more specialized central ministries. The most recent example of this was the Soviet press announcement of 22 January 1956 that the Ministry of Machinery and Instruments was being divided into a Ministry of Instruments and Automation and a Ministry of Machine Building.[18] During the same period, there was a countertrend of transferring some details of planning and administration to the union republics and their ministerial apparatus. A government decree of 4 May 1955, for example, transferred to the republics numerous detailed questions of planning in the budgetary and investment fields.[19] In addition, in 1954 and 1955 several all-Union ministries were changed to Union-Republic ones, and counterpart ministries set up in certain republics.

After early 1956 the second of these trends began to win out over the first. A government decree of 30 May transferred from USSR ministries to the corresponding republic ministries a large number of enterprises in the food, light, textile, building materials, paper and other industries, and also the retail trade network. At the same time the USSR Ministries of Highway Transport and Inland Shipping were abolished, and the Ministries of Light Industry and Textile Industry were merged.[20] The latter two industries had been divided into two ministries less than a year earlier. The head of the newly combined Ministry of Light Industry was N. S. Ryzhov, who was later, in February 1957, sent out as ambassador to Turkey.[21]

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As a result of these and earlier measures since Stalin's death, the Soviet Union could claim at the end of 1956 that about 15,000 plants had been shifted from central government to republic jurisdiction and that the proportion of industrial output produced by plants subordinate to the republics rather than the USSR government had increased from 31 percent in 1953 to 55 percent in 1956.[22] Much of this transfer of power was only nominal, however, and in many instances meant merely the addition of republic ministries as another link in the chain of command between USSR ministries in Moscow and the individual enterprises.

Some emphasis on the geographic or regional approach to economic organization had been evident in the original draft of the Sixth Five-Year Plan. The draft ordered that a long-range plan be drawn up "for specialization and co-operation in industry in conformity with the economic regions of the country." In the construction field, the draft plan called for the merging of small building organizations into territorial building agencies, like those established in 1954-55 in Moscow, Leningrad and Kiev.

In late 1956 several events occurred which indicated that the regime was devoting increased attention to the questions of central control over the economy and economic regions as a basis for administering industry. On 21 November, first deputy premier and former foreign minister V. M. Molotov was appointed minister of state control. In the preceding years this ministry had lost most of its earlier powers, except that of auditing the financial records of enterprises. Shortly after Molotov took over, however, [redacted] Soviet press statements began to show that the ministry was re-emerging as a powerful instrument of centralized authority. The ministry appeared to be extending its powers from those of a financial watchdog to inspecting the implementation of government orders in other fields. One press article suggests that the ministry also began to levy penalties on enterprises and order the dismissal of certain officials--powers which the ministry had lost as early as 1948.[23]

In mid-December, just before the December plenum, an article discussing the problems of economic regions appeared in the journal of the State Planning Commission.[24] This article, footnoted as being "for discussion," strongly emphasized the need to form economic regions on a "scientific" basis, and contained only brief references to the need for considering "the Leninist nationality policy," i.e., the existing political-administrative divisions. The author stated that two basic criteria for an economic region should be

(1) large-scale specialization on a certain type or types of production, and (2) "economic completeness," i.e., an adequate base of fuels, machine building, agriculture, consumer goods and transport to support the large-scale output of those products in which the region specialized. The article noted that at present the administration of the economy must be based on existing political administrative units, but expressed the hope that in the future, changes of administrative-territorial divisions would be possible.

Up to this time, although the planning bodies had split the Soviet Union into economic regions (there were 13 at the end of 1956), these regions were used only for planning purposes. This article did not imply that the present system of economic administration through ministerial or existing political-territorial divisions would be changed in the near future. Some pressures in this direction, however, were revealed in the Soviet press during the fall of 1956. The director of the Ural Machine Building Plant in Sverdlovsk suggested in October that "the time had finally come to create in economic regions organs which would study production ties" of enterprises within the region and attempt to induce more specialization and co-operation among enterprises.[25] On 21 December, a secretary of the party committee in a Leningrad industrial plant wrote: "Perhaps it would be expedient to combine the various branches of industry into a single organ.... It would also be well to consider territorial combination of enterprises in a given economic region."[26]

[redacted]

B. The December Plenum

The decision of the December plenum on improving economic management admitted that "substantial shortcomings" existed in Soviet economic planning, particularly current planning. The planning bodies were accused of inadequately studying conditions in individual industries and of "maintaining poor contact" with republics, krais, oblasts and economic enterprises. The planners permitted "serious omissions and errors" in drafting

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plans, and did not "cope with their duties in checking on fulfillment." As its formula for improving central control and at the same time decentralizing authority to increase efficiency in implementing plans, the plenum issued the following orders:

> (1) The Current Planning Commission (which was reorganized under Pervukhin on the following day) was to receive more power and be given new "operative" functions to assure fulfillment of state plans and the correct distribution of material supplies. The party apparatus and the trade unions were ordered to play a larger role in improving economic management, with the party, as always, to be responsible for the "selection, promotion, and correct placement of personnel."
>
> (2) The economic powers of republics were to be extended "considerably" to "eliminate excessive centralization" and give the republics more control over fulfilling state plans. Efforts were to be made to bring agencies of the central managerial apparatus into the regions where corresponding branches of the economy were located, and the co-ordination of activity within economic regions was to be improved.
>
> (3) At the same time, however, the plenum called for a "further extension of the powers of ministries."[28]

It should be noted that the instructions of the central committee were wholly unclear in the matter of drawing a line between central authority on one hand and the power of republics and individual ministries on the other. Both were to be increased. Furthermore, these directives did not resolve the inherent conflict between further widening the power of republics and increasing the authority of individual central ministries.

According to a report on the December plenum from a Soviet source believed reliable,[9] the defects of Soviet planning in 1956 were apparently under such criticism that the principles of planning came under fire. According to the secondary source through whom this report came, Molotov "apparently made some apology" for the principles of planning at the plenum, and

for practical purposes equated planning with the will of the party. The ability of the party, through planning, to concentrate resources for the purpose of attaining any desired policy objective was claimed to be the major reason for the superiority of the socialist system over the capitalist system. This report appears plausible, since the Soviet press several time early in 1957 reiterated the superiority of socialist planning over capitalism in similar words.[29]

The same source reported that at the plenum harsh criticism arose against "departmentalism," or the bureaucratic barriers between ministries which severely hindered specialization and co-operation among individual plants. This resulted in duplication of production, cross-hauling of freight between different regions, and wastage of capital investment funds. Khrushchev himself reportedly made a sharp attack on this problem, and the central committee ordered an investigation of ways to reduce the barriers. According to the source, the merging of related ministries was considered and rejected as a solution in the weeks following the plenum. The answer which was increasingly favored was reportedly a serious reduction in the vertical, i.e., ministerial, chain of command, and a greater emphasis on regional co-operation and specialization.

From the December plenum to the Supreme Soviet meeting in early February, discussions in the Soviet press on reorganizing planning and economic administration were generally consistent with the information presented above on the December plenum. At the beginning of January, a measure was introduced increasing the authority of republics over the distribution of meat and dairy products produced within their territories,[30] and editorials in both Pravda and Izvestia during the month commented on the need to increase the powers of republics and local soviets. Khrushchev, perhaps alluding to the industrial reorganization then being planned behind the scenes, stated in a 13 January speech in the Uzbek SSR that shortcomings in economic management should be exposed and removed "more rapidly." He emphasized the need to "act like a surgeon who takes a sharp knife and operates on a man's body to cut out malignant growths."[31]

In mid-January, F. R. Kozlov, first secretary of the Leningrad Oblast party committee who was appointed a candidate member of the party presidium in Moscow one month later, discussed at a party meeting the lack of co-operation between ministries and the need for the planning bodies to consider more fully the potentialities of economic regions in formulating plans.[32] At the end of January, an article appeared in the State Planning Commission's monthly journal calling for

improvement in republican planning bodies. This article also advocated that more authority be granted to the central government's planning bodies, both Gosplan (long-range) and Gosekonomkommissia (current planning), in order to eliminate "departmentalism."[33] At the end of January, Pervukhin, at a meeting of the party organization of the current planning body, pointed out that there was too much parallel and purposeless work in the republics, the ministries and in the current planning group, and that a reorganization of the current planning group was under way to expand its rights in resolving these problems.[34]

C. The February Supreme Soviet

Pervukhin, in his speech on the 1957 plan to the Supreme Soviet, again reiterated that his current planning organ had been given new "operative" powers to assure the fulfillment of plans, and there was no hint in the discussions at the Supreme Soviet of the later proposal in Khrushchev's theses to abolish the current planning body and transfer its functions to Gosplan. In other fields, the Supreme Soviet adopted new measures expanding the rights of republics and local soviets, and individual deputies proposed still others; the discussions revealed innumerable examples of red tape, poor planning and "departmentalism" in the present structure of industrial administration.

This was the first time an annual economic plan was considered by the Supreme Soviet, a fact probably intended to provide evidence of greater democracy. The Supreme Soviet also approved new legislation transferring to republics the power to make changes in the boundaries of krais and oblasts within their territories, perhaps in anticipation of the reorganization to be proposed later by the February plenum. Khrushchev's theses, issued at the end of March, recommended some changes in existing administrative-territorial boundaries.

On the local level, several deputies praised the law passed several years ago giving local soviets the right to spend tax revenues received above the amount earmarked for the central government and urged that the proportion of tax revenues retained locally be further increased. Deputies also requested that the authority of local soviets over housing construction be increased, and one asked that management of local building materials enterprises be concentrated in the hands of local soviets.[35]

The complaints of deputies concerning existing defects in industrial administration and planning constituted a catalogue of things which have gone wrong in the Soviet bureaucracy. According to a speaker from the Ukrainian SSR, for example, the Soviet government in 1951 and again in 1952 decreed the reconstruction and enlargement of the Odessa water supply system, the cost to be shared by "interested ministries." This job was only half finished by early 1957 because many of the ministries did not do their parts of the work. Again, a representative from Moscow described the activities of the Ministry of Chemical Industry, which had spent seven years and over 100,000,000 rubles building a plastics factory. This plant was not yet finished, and it now appeared there was no need for it. Nearby was a similar, already functioning plant, with a "great reserve" of unused production capacity. This situation had arisen because the two plants belonged to different ministries, which obviously were not co-operating with one another fully. As a final example, a deputy from the Georgian SSR revealed that the USSR Ministry of Building Materials had issued a cement production plan for the Rustavi cement plant a year before the enterprise was even completed and ready to start production.[36]

D. The February Plenum

The decision of the February plenum was the first official attempt to organize economic management on a regional basis. As noted above, however, the regional concept had been used previously to some extent for planning purposes, and in the weeks before and following the December plenum apparently received increasing study and support. The proposed organization of management represented a victory for the regional concept over the specialized ministerial concept and was by far the most radical "efficiency measure" for the Soviet economy since Stalin's death. The confusion and temporary reduction of output which could result showed that the regime felt drastic, and risky, measures were needed in its effort to attain the very ambitious industrial goals on which progress was already lagging, and, at the same time, to meet added burdens from abroad and, in some degree, pressures from the consumer.

The resolution contained the following main provisions:

(1) Industrial management should be based on a combination of centralized government administration "and a greater role for local economic, party, and trade union bodies." The center of administration

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"must be shifted to the local areas," and management should be organized "according to the main economic areas." Since the existing ministerial structure had led to increasing departmental barriers as the economy became more complex, "new forms must be elaborated...based on the territorial principle."

(2) In order to strengthen central control, the role of Gosplan (long-range planning) must be "enhanced," and Gosekonomkommissia (current planning) should be reorganized so as not to "duplicate" Gosplan's work or interfere in "administrative functions."

(3) A new organ of the Soviet government must be formed to assure more effective introduction of new technology into the economy.

(4) The reorganization will create "still greater possibilities for the really creative participation" of "party, local government, trade union, and Komsomol organizations in economic management." Work of state control bodies should be improved, both "in the center and on the spot."

(5) The party presidium and the government's Council of Ministers were instructed to prepare detailed proposals on the reorganization and to present them to the next meeting of the Supreme Soviet.

Although the kind of decentralization called for by this resolution was foreshadowed with reasonable accuracy by Soviet press statements and other evidence accumulated since the December plenum, the changes made in the central planning and control bodies were not. As noted above, all evidence through January, and at the Supreme Soviet meeting in early February, indicated that Gosekonomkommissia, the current planning body under Pervukhin, was to be strengthened and given operational responsibilities for the implementation of plans. At the February plenum, however, the current planning group was ordered not to duplicate the work of Gosplan and not to interfere in the actual administration of the economy.

The instruction of the plenum to set up a new government organ to assure the introduction of new technology into the economy also fits this pattern of reducing the current planning body's role. In May 1955, when the original State Planning Commission was split into long-range and current planning organs, a State Committee for New Technology was also set up. By the end of 1956 it was apparently felt that this committee was not adequately fulfilling its functions, since the December plenum stated that "a major task" of the current planning group was to assure the introduction into the economy of new technology. At the February plenum, the formation of a new body was ordered instead.

Immediately following the February plenum, it became increasingly clear that the proposed reorganization would basically follow the territorial boundaries of existing republics, krais and oblasts, with perhaps a few mergers of oblasts whose economies were poorly developed. Pravda and Izvestia editorials both emphasized the need to strengthen the rights of republics during this period, praising in this connection the correctness of the "Leninist nationality policy." On 18 February, another article on economic regions was published in the journal of the State Planning Commission,[37] labeled "for discussion," as was the article in December published by the same journal (see above). The new article emphasized much more strongly than the December one the need to preserve the present national lines in the USSR, and said, "It is impossible to regard as justified...the establishment of economic regions in the USSR in which several republics are included." The December article had recommended merging into larger economic regions some of the smaller republics.

E. Khrushchev's Theses

On 27 February 1957, candidate member of the presidium Y. A. Furtseva stated in a speech in Moscow on the proposed reorganization that "before this question comes up before the Supreme Soviet, the theses of the report will be published and submitted for wide discussion."[38] A month later, on 30 March, the Soviet press published for public discussion Khrushchev's "theses" on the reorganization, and several days later announced that a Supreme Soviet meeting would begin on 7 May to act on the proposals. Publication of such theses on important subjects is unusual but not unique in Soviet history, and is intended to give the appearance of democracy as well as to solicit suggestions for carrying out major changes of policy or methods of organization and administration. Similar "theses" preceded the adoption of revised statutes of the Communist Party by the 19th party congress

in 1952, and a similar "wide, public" discussion was held before the USSR constitution was approved in 1936. The drafts of five-year plans also have normally been published for discussion a month or so before formal adoption by the party.

As mentioned above, there have been reports that Saburov actually drafted Khrushchev's "theses." If this was the case, Saburov may have proposed the reorganization plan in early February as a feasible way of eliminating bureaucratic "administrative deficiencies" which he may have contended in December were the real reasons why realization of the Sixth Five-Year Plan was in jeopardy.

The theses called for the abolition of central industrial and construction ministries and the formation of new "national economic councils" which would be responsible for administering industry within geographic areas. The areas would be basically the same as existing political-territorial divisions, such as the Bashkir autonomous republic, Sverdlovsk Oblast and Chelyabinsk Oblast. The powers of the various republic governments would be increased markedly under the reorganization, and the republics, together with the subordinate "national economic councils," would have much greater responsibility than previously for the implementation of the national economic plan which had been approved by Moscow. The national economic councils (called Sovnarkhozes) would exercise operational control over individual enterprises in their areas.

The proposals also called for major changes in the central government and planning apparatus. Gosplan, since 1955 responsible only for long-range planning, would be given most of the planning and operational responsibilities of the current planning body, and the latter would be abolished. This proposal went beyond the instructions of the February plenum that the current planning group not duplicate Gosplan's work, and was the final step in cutting down Pervukhin's committee. In integrating the economic plans of the various republics, Gosplan should "nip in the bud" all attempts to use resources for local purposes "to the detriment of the interests of the state as a whole."

The theses also recommended that the USSR Council of Ministers be reorganized to include the chairman of each republic's Council of Ministers. In addition, the roles of the party apparatus and trade union organs in assuring the implementation of state plans were to be increased under the reorganization. The local party organs would benefit particularly from a regional form of management, since the existing structure, under which

individual plants often had direct lines of command to ministries in Moscow, had "deprived" local party organs "of exercising more active influence upon the work of enterprises."

Some parts of Khrushchev's theses indicated that controversy had occurred in their formulation. According to the theses, "some comrades" were proposing the formation of special committees under the USSR Council of Ministers to have responsibility over key branches of heavy industry. Earlier in March an officer [redacted] that a possible "first step" in the reorganization might be the formation of broader central ministries, for example, one ministry for the whole of heavy industry.[39] Whether named committees or ministries, such organs would, according to Khrushchev, "inevitably set up apparatuses" similar to those of existing ministries. The State Planning Commission, now to be responsible for both current and long-range planning, should be given any functions which such organs might perform.

These apprehensions of "some comrades" that the reorganization might weaken central control over the economy appear to concern heavy industry particularly. Khrushchev's theses discuss in some detail the need to guard against tendencies toward local autarchy and against tendencies to place local welfare above the needs of the state, and the theses claim that improved central planning and control can adequately protect the state from these pressures. Several personnel transfers, however, may have resulted from this opposition. [redacted] a rumor was current in Moscow at the end of March that I. F. Tevosyan and A. M. Puzanov, both members of the central committee, had been assigned as ambassadors to Japan and North Korea, respectively, because of opposition to the reorganization. Tevosyan, whose appointment was announced in the Soviet press on 30 December 1956, had previously held the post of deputy premier and probably had general responsibility for the metallurgical industry. As noted earlier, an equally logical reason for his transfer was the poor performance of that industry in 1956. Puzanov's appointment to North Korea was announced on 22 February 1957. He had previously held the post of first deputy premier of the RSFSR.

Another personnel reassignment which occurred at the same time, and therefore may be connected with the reorganization, is that of N. S. Ryzhov, whose release as minister of light industry and appointment as ambassador to Turkey was announced on 24 February. [redacted]

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Ryzhov's Ministry of Light Industry had been split in two in 1955 as part of the trend toward more specialized ministries, and the two parts had been merged again a year later, when many consumer goods and textile plants under the two ministries were transferred to republic jurisdiction.

Another possible source of opposition to the reorganization is suggested by the sharp criticism of Molotov's Ministry of State Control in Khrushchev's theses. The resolution of the February plenum contained no such criticism, and earlier evidence had indicated an increase in the ministry's power since Molotov became its chief in November 1956.[23] The theses, however, attacked the ministry for maintaining "a cumbersome apparatus," "usurping the functions of economic organs," and trying to "embrace literally all matters." The theses call for all state control organs to bring their work into line with "Leninist" directives on control work, which probably means making their work more responsive to direction by the collective leadership. This criticism of Molotov may mean that he had failed to run the ministry efficiently, that he was trying to use the state control post as a springboard to recoup his failing political influence, or that he opposed the reorganization. Since Molotov reportedly was one of those who criticized Soviet economic defects most strongly at the December plenum,[9] he probably did not oppose the need for some form of reorganization. As an "old Bolshevik," however, he may have opposed the radical proposal of abolishing industrial ministries and going over to a regional form of management.

In addition to revealing some disagreement over the reorganization, Khrushchev's theses showed that the regime anticipated confusion in management and disgruntlement among displaced administrators when the proposals were implemented. The theses emphasized that due care should be taken to provide released employees with suitable jobs and expressed confidence that these employees would see the reorganization in its "true light." Madame Furtseva had told a party gathering in Moscow on 27 February that the party organs of ministries "must explain matters well" to employees released from ministries, and help them "correctly understand" the measures.[38]

Apparently these explanatory efforts were not too successful, at least in their initial phase, because an article published on 15 March in Party Life, a journal of the Communist Party, quoted statements of speakers at various local party meetings that the efficiency of ministries and other central authorities had already declined because of the

envisaged administrative changes. The article concluded by urging that the projected economic changes not be used as excuses for poor work.[40] In addition, a slowdown in planning work was suggested by the fact that, as of late March, the state planning commission of the Kazakh SSR had not yet been informed by Moscow of all data on the 1957 plan for those enterprises subordinate to central ministries.[41]

F. The May Supreme Soviet

During April, a great show was made throughout the USSR of public discussions concerning the proposed industrial reorganization. At the Supreme Soviet meeting in May, Khrushchev in a lengthy speech detailed a somewhat revised version of the reorganization, and was appointed chairman of a subcommittee of the Supreme Soviet which was to consider "addenda" to the official law on the reorganization. After two days of discussion, the Supreme Soviet approved the law, with several minor amendments, and ordered that the reorganization be implemented by 1 July 1957.

The reorganization approved by the Supreme Soviet in May was appreciably less drastic than that envisaged in Khrushchev's theses at the end of March. The theses in March had clearly called for the abolition of all central industrial ministries, while in May the ministries responsible for atomic energy, arms and related industries were retained. (Khrushchev himself said at the May Supreme Soviet meeting that this represented a change of view.) In March, the theses had also called for the abolition of industrial and construction ministries in individual republics, while in May Khrushchev said there were differing views on this question, and admitted that some ministries should perhaps be retained in the larger republics. The Supreme Soviet postponed a decision on this problem by turning responsibility for it over to the individual republics. In addition, in March the theses had sharply criticized the Ministry of State Control under Molotov and had called for a "drastic reorganization" of this ministry. In May, however, after one of the deputies at the Supreme Soviet had proposed concentrating all state control functions in Moscow, Khrushchev said that the solution of this issue would be postponed and the question studied "more profoundly."

The reorganization as finally approved by the Supreme Soviet, however, still constitutes the most drastic change in the structure of the government since World War II. According to published information concerning the USSR Supreme Soviet and the meetings of various republic Supreme Soviets in following weeks, 105 regional economic councils (70 in the RSFSR,

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ll in the Ukraine, nine in Kazakhstan, four in Uzbekistan, and one each in the remaining republics) are to be established to manage most of the USSR's industrial enterprises. Although, as mentioned above, some ministries are retained, over 20 central industrial ministries are to be abolished. The regional councils have been given fairly wide administrative powers, but do not have policy-making functions. Central authorities have explicitly been given power to "suspend" decisions of the regional bodies.

What are the prospects for success of this reorganization in increasing Soviet industrial efficiency? After the initial confusion, some improvement of industrial efficiency will probably result. Co-operation between related industries in the same geographic area should be improved, and irrational "cross-hauling" of industrial goods should be reduced. In the long run, however, regional bureaucracies and special interests will tend to replace the present ministerial barriers, minimizing the benefits of the reorganization.

V. Political Implications

The above analysis of developments in the Soviet economy from late 1956 through May 1957 has two important political implications.

(1) Since replacing Bulganin as the regime's public spokesman in the field of industrial administration last February, Khrushchev has been the dominant Soviet leader in the economic field. From start to finish he has publicly assumed leadership over the industrial reorganization. In many speeches to agricultural workers throughout the spring, he has continued to act as the principal formulator of Soviet farm policy. (Actually, Khrushchev has become increasingly pre-eminent in the Soviet leadership in all areas of foreign and domestic policy this spring, and has received more publicity than any leader since Stalin's death. All evidence shows quite conclusively that Khrushchev has more than regained whatever influence and prestige he may have lost during the Satellite crises last October and November.)

During this same period, however, Khrushchev seems to have modified or compromised his own previous position on economic problems on several occasions. The industrial reorganization turned out to be less drastic than he had originally proposed. His statements on the primacy of heavy industry in the 30 March theses of the reorganization also suggested a less dogmatic view than he had formerly propounded on this subject. Though not discussed in this analysis, the retrenchment in the spring of 1957 of the grandiose corn program advocated by Khrushchev since 1955 represents another change in his previous views.

On each of these occasions, Khrushchev himself announced the change in plans or policy, and there was a complete absence of public criticism in the USSR over the changes. It cannot be determined whether Khrushchev was forced by the collective leadership to modify aspects of his programs which came to be regarded as unrealistic or unacceptable, or whether he personally became convinced that such changes were necessary. In either case, Khrushchev publicly suffered not at all, and his personal announcement of changes has contributed to his prestige.

(2) This analysis suggests that the economic bureaucracy, or so-called managerial class, is exerting increasing influence over Soviet economic--and thus political--policy. The low goals of the 1957 plan, which represent the interests of this group, were approved as the law of the land at the

February meeting of the Supreme Soviet. Despite later evidence suggesting that the regime hopes to avoid reductions of similar magnitude in the goals of the five-year plan, and despite criticism by Khrushchev of at least part of the 1957 plan, the low goals of the 1957 plan have not been repudiated.

It seems unlikely that there is a cohesive group in the USSR, or one with any form of unified political aims, which could be labeled as the economic bureaucracy or the managerial class. The concept of an economic bureaucracy or managerial class is itself an abstraction. Although patterns of thought from which valid generalizations can be inferred exist in such a group, the views of specific individuals in the group undoubtedly range the gamut between conservatism and optimism. There are in addition subcategories within such a group, such as economic planners or practical business administrators. Those who have gained most of their experience in the planning field, despite individual differences, probably tend toward the view that ambitious plans are necessary for maximum economic growth. Those in the field of practical administration, on the other hand, may tend to emphasize more strongly the improvement of economic efficiency as a desirable objective, and feel that increased efficiency can best be achieved with realistic, rather than overambitious plans.

It is the practical administrators who seem to have played a role of increased importance in early 1957. Pressures from this group, however, are largely unorganized, probably at the present influence state policy only through the economic field, and probably appear mainly in the form of individual ministers and officials pressing for special rights and interests. It may be incorrect to regard any of the present party leaders as "representatives" of this group before the presidium, but a party leader, such as Pervukhin, who has himself risen from this group, may tend to espouse or at least sympathize with the views of this group. In any event, since the road to personal gain and influence in the USSR is through the party, any further increase in the power of this group, and any efforts to give it cohesiveness, will occur within party channels, and could result in increased factionalism within the party.

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DIFFERENCES IN TEMPERAMENT AMONG SOVIET LEADERS AS SHOWN BY THEIR APPROACH TO POLICY ISSUES 1945 - 1957

(Reference title: CAESAR I-57)

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DIFFERENCES IN TEMPERAMENT AMONG SOVIET LEADERS AS SHOWN BY THEIR APPROACH TO POLICY ISSUES 1945 - 1957

FOREWORD

This working paper is an attempt to determine the personal predictions and policy leanings of top-level Soviet leaders by analysis of the part they played in various postwar policy disputes. The approach is a new one, and the findings are preliminary. This study is the work of an analyst in the Office of Current Intelligence, and does not represent the position of that office. It is circulated only within CIA for discussion and background use.

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The July 1957 upheaval in the Kremlin, resulting in the fall of Molotov, Kaganovich, Malenkov and Shepilov, represented an unusually dramatic moment in a long series of postwar disputes in the Kremlin. As in past climaxes, hierarchical movement was expressed in terms of policies espoused or opposed, even though the motivating forces may have been personal ambition, rivalries or revenge. Thus, although Khrushchev's real purpose in June 1957 may well have been the ultimate elimination of potential rivals for power, the charges he brought against Molotov, Kaganovich, Malenkov and Shepilov made explicit reference to policies which these men had espoused. The victims, in their turn, undoubtedly had their own personal reasons for identifying themselves with a movement against Khrushchev, but they chose selected policies as the instruments through which to convey their opposition.

A review of those postwar turning points on which there is some fragmentary information suggests that, whatever their reasons, most of the ranking members of the Soviet hierarchy have shown a certain consistency in the types of policies they espoused and in the priority each seemed to assign to various policy goals. There is little evidence of stable cliques or personal loyalties among the top leadership. The picture suggested is of temporary alliances among individuals whose immediate interests or personal tendencies coincided for a time, the composition of the alliances changing as the major issues changed.

Over a period of years, individuals develop patterns of thought, basic assumptions, on which their decisions are based. In the Soviet leadership these patterns represent at most differences in temperament and operate only within the very narrow limits of the common aims of the group. The question in the Kremlin is not "what is Communism and do we want to build it or something else," but merely "which is the best way to build Communism." The existence of these differences in temperament is recognized in most political systems, the labels varying according to the type of system or the degree of opprobrium the speaker wishes to impute. In the West there are reactionaries and radicals, conservatives and liberals, while Marxism has its dogmatists, ~~revisionists~~, right-wing and left-wing deviationists. The Western pragmatist or moderate and the Marxist-Leninist who has "acceptance" at a given time provide the pivot points from which the ends of the spectrum are measured. All these labels change in policy content, however, as the pivot points change--a "liberal" position of one period may be a "conservative" position 20 years later. In the USSR the problem of accuracy in labels is further complicated by the Communists' own usage of the terms. Their insistence that

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a Marxist-Leninist position is both infallible and stable in content, and their resulting compulsion to re-label each time the political wind shifts, make the terms extremely difficult for a Westerner to use with any consistency.

Despite these shifting values for political labels, there are some threads of consistency in these differences in temperament. In its time, a policy position may generally be adjudged either cautious or venturesome in the light of the common aims of the leadership group.

Caution dictates attention to possible losses, to risks entailed. It is wary of the new or the untried, "the time is not yet ripe" for change and "a bird in the hand is worth two in the bush." The venturesome are more optimistic, seeing possible gains, not possible losses. They are more impatient with flaws, more self-confident in advancing new panaceas. They prefer a head-on attack on a problem, to the maneuvering of the cautious.

Individual political leaders will not be found on the extreme ends of this spectrum, but they will generally tend toward one side more than another. They are entirely consistent in conforming to these types, particularly because a leaning toward internationalism on the one hand or isolationism on the other may cause either the cautious or the venturesome to find strange political bedfellows. The pragmatist is usually in a moderate position between the two extremes but also--being basically eclectic in political ideas--may pick up concrete beliefs or stands from either or both extremes and demonstrates his middle-of-the-road character merely by the logical inconsistency of his views.

The following study is an attempt to identify what the Chinese Communists are pleased to call the "tone of work" of certain Soviet leaders, past and present, as reflected in the policies with which they have been identified from 1945 to 1956. It is limited in scope to those policies on which information is available concerning identification of individuals, and to those individuals so identified, and should in no way be considered an attempted survey of significant policy problems, study of succession in the Kremlin or postwar history of the USSR. There are gaps in the names, important individuals are missing and the information on those that are listed is incomplete. It is offered only as a first approach, to be added to or corrected as additional information comes to light. Identification of individuals with policies in each case is made very tentatively, with the full recognition that an individual's decision on a given issue might be influenced by

his special departmental or functional responsibilities, the current personality situation in the Kremlin, or even what he had for breakfast.

Disputes During Stalin's Lifetime

There were seven major policy divergences or differences of view on which we have evidence in the postwar Stalin period, 1945-1953, some of which carry over in one form or another into the post-Stalin period:

1. Varga: A major question confronting Soviet leaders in 1945-46 was the evaluation of the remaining enemy's strength, that of postwar capitalism. The Hungarian economist, Varga, cautioned that there was life in the old dog yet. He insisted that capitalism had undergone mutations under the stress of World War II which would enable it to delay a major economic crisis, and to control its inherent tendency toward internecine wars. In addition, he warned that these mutations had shifted political balances in capitalism both between classes and between colonial powers and their colonies, narrowing the field of opportunity for Communist revolutionary activity aimed at overthrowing the existing governments. No ranking Soviet leader took part publicly in the 1947 debate on Varga's views. Public opposition was expressed chiefly by other economists on doctrinal grounds. However, Mikoyan is reported to have taken a position in 1947 very similar to Varga's on the economic strength of capitalism. Varga himself seemed to believe that Zhdanov was behind his doctrinal critics, and Molotov is reported to have expected both an imminent economic failure and internal strife between national imperialist interests to rend capitalism.

2. Stripping: The evaluation of capitalist strength was at issue in Soviet economic policy in occupied areas. One group favored a postwar policy of the economic stripping of all occupied territories for the rebuilding of Soviet industries. This denuding of occupied areas could only have made sense if it were premised on caution in the face of a still relatively strong and cohesive capitalism, and if it were to be followed by withdrawal of Soviet forces to the borders of the USSR for consolidation at home. A leaning toward isolationism would also have dictated withdrawal behind the walls of Soviet borders, in preference to entanglement with foreigners in Germany, Hungary, Manchuria et al. Malenkov and Saburov were reportedly among the supporters of this policy, which appeared to have been based on articles written by Varga in 1943.

Opponents of the stripping policy who apparently envisioned, instead of withdrawal, the permanent annexation of the occupied territories reportedly included Zhdanov, Mikoyan, Zhukov and Voznesensky.

3. Marshall Plan Participation: The question in the spring of 1947 of participation by the Soviet bloc in the Marshall Plan again raised the problems of evaluating the enemy's strength and of the desirability of foreign entanglements. Mikoyan and Kaganovich reportedly favored participation. Molotov is alleged to have opposed it, expecting the failure of the plan. A similar position might be inferred for Zhdanov in view of his apparent refusal to accept Varga's warning of capitalist resilience, although there are no reports on the subject.

4. Voznesensky: Voznesensky and his supporters appear to have believed that both the Soviet economic situation and the international situation in 1948 were sufficiently favorable to allow added emphasis in the economy on consumer goods. There is some evidence as to the names of both his supporters and his opponents, but little or none as to their reasons for adherence or opposition.

In late 1948, however, Voznesensky's policy of shifting Soviet economic resources to beef up consumer goods production must have appeared as a distinctly risky gamble to the more "cautious" Kremlinites who had accepted Varga's estimate of capitalist resilience. To the more "venturesome" who saw a capitalism rent internally as the only external threat, the risk must have seemed small in comparison to the possible gains in a more balanced economy.

Voznesensky's supporters appear to have included Ostrovityanov, G. Kozlov, Shepilov and Kosyachenko. He was apparently opposed by Malenkov, Saburov, Suslov and V. S. Kruzhkov.

5. Link vs. Brigade: The link vs. brigade controversy in early 1950 involved a question of the size of work-teams in agriculture, the smaller link providing for a greater degree of personal identification for the individual worker with the total results of his labor but without the mechanization which the brigade was designed to promote. Andreev, in confessing his error in retaining the link system instead of adopting the brigade, noted that his major concern had been production, a cautious "bird in the hand approach." His anonymous critic in Pravda, who may possibly have been Khrushchev, insisted that the correct organization of labor was not only a "technical-production" matter, but also a most important "economic-

political" task. A temporary decline in production coupled with increased investment was worth risking if it resulted in a more politically orthodox organizational form--which doctrine promised would be more efficient in the end--and if it promoted mechanization.

6. Agrogoroda: The theme of impatience, acceptance of a gamble and belief in "bigness" in agriculture was clearer still in the agrogorod campaign of 1950-1951. In its full bloom the plan, clearly sparked by Khrushchev, involved the merging of smaller adjoining collective farms and the resettlement of the farm workers in farm-cities, with apartments, shops and all the amenities of town life, but cutting their ties with the land. The scheme involved both enormous expense and major disruption of traditionally conservative peasants, with the risk of production losses. In the spring of 1951 it was attacked by Arutinov, a Beria protegé, as doctrinaire and premature, and by Bagirov, also a Beria protegé, as hindering the private-plot farming of the peasants. It was again criticized as premature during the 19th party congress in October 1952 by Malenkov and Arutinov.

7. East Germany: There appears to have been a possible correlation in timing between the varying speeds of socialization in East Germany from 1945 to 1953 and the shifting Kremlin estimate of Western strength. During periods when the resilience of capitalism seemed to be accepted, as reflected in the stripping policy, or the 1949 emphasis on heavy industry, the pace of socialization was slow. When capitalist strength seemed to be in doubt, the pace was increased. In addition to the cautious or venturesome approach to the problem of estimating Western strength, a leaning toward internationalism or isolationism may have been a factor in any evaluation of policy for East Germany. The greater the degree of socialization, the greater the Soviet stake in a land which did not even adjoin Soviet borders.

Fragmentary evidence suggests that Zhdanov may have favored a fast socialization pace while Beria and Malenkov seemed to advocate a slower pace.

Dispute in the Post-Stalin Period

By 1953 when Stalin died, the major postwar issue of the relative strength or weakness of capitalism vis-a-vis the USSR had been more or less shelved, in the face of the more pressing problems of rigidity in the Soviet system. The venturesome became less expansionist in international terms and more inclinedto take the risks entailed in relaxing international tensions, to gamble possible short-range losses in discipline

and "face" against possible long-range gains in dynamism. With the growth of the "camp of socialism," questions of allegiance to the USSR began to come to the fore. Problems of dogma also moved to the forefront with the removal of a supreme arbiter. The collective leadership which succeeded Stalin had a wealth of prophets, four dead and at least five living ones, but no one authority to judge whether a given concession or a given tactic actually contravened doctrine or was merely a creative application of it. The major policy divergencies or differences of view became more frequent and the evidence about the leanings of leaders toward one or another solution became more plentiful. There are at least 14* policy issues worth examining in the 1953-1957 period:

8. Consumer Goods Program - 1954: There appears to have been general agreement within the leadership groups in mid-1953 that some additional emphasis must be given in the economy to the production of consumer goods. As stresses developed in the economy due to the concurrent growth of other programs, the issue became one of degree of enthusiasm for a given program. There was some difference in phrasing, in the degree of enthusiasm shown for the consumer goods program, evident in speeches made by the leadership group over the 18-month period from August 1953 when the program was announced to early February 1955 when Malenkov resigned. In addition to these differences, of course, Malenkov was reportedly censured on 31 January 1955 for "rightist deviation in advocating the growth of light industry which meant slowing the growth of heavy industry." Among the less enthusiastic speakers were Voroshilov, Molotov, Kaganovich and, toward the end of the 18 months, Khrushchev and Shepilov. The enthusiasts appeared to include Malenkov, Khrushchev in the early months of the program and Kosygin, Saburov, Pervukhin and Mikoyan.

9. Virgin Lands Program: There were two possible approaches to the agricultural problem which the Soviet leadership faced in 1953--either intensified cultivation of the traditional farming areas involving long-term investment and producing a gradual but sure rise in production, or the expansion of agriculture into areas regarded as marginal land, also expensive in its investment demands, a gamble on the uncontrollable factor of weather, but promising a big increase in

* Four are grouped under the heading "20th Party Congress."

production quickly if the scheme were successful. The latter program in the virgin lands was clearly Khrushchev's own creation. There is some evidence that he was supported by Mikoyan and possibly Kaganovich, and opposed by Malenkov and Molotov.

10. Nuclear Warfare: During the winter and early spring of 1954, there appeared a series of varying formulations in public speeches by Soviet leaders which seemed to reflect their attempts to grapple with the implications of nuclear warfare. These variations were played on three themes--the destructiveness of nuclear warfare, estimates of the imminence of war, and the slice of the economy to be devoted to defense needs. Malenkov, in the "death of civilization" and the "defense needs" themes, appeared to feel that the destructiveness of nuclear weapons was so great as to eliminate war as a feasible instrument of foreign policy for either side. Accordingly, defense needs did not loom large in his speeches. Mikoyan explicitly stated that the danger of war had decreased, a position close to Malenkov's in its implications for defense needs. Pospelov combined the two themes, seeing a decrease in the likelihood of war and congratulating Soviet scientists on not working for the "destruction of world civilization." Bulganin made an oblique and critical reference to these formulations, warning that the USSR could not count on the humaneness of the imperialists not to use weapons of mass destruction, and three months later sounded an unprecedented warning on the danger of surprise attack from the US. Khrushchev and Kaganovich both cited the continuing danger of capitalist encirclement, the first such references since Stalin's death. Molotov and Voroshilov at the opposite end of the spectrum from Malenkov appeared to be saying that nuclear destruction did not represent a new factor in world politics and that a third war would still mean only the "death of capitalism." Khrushchev, Bulganin and Kaganovich combined with Molotov and Voroshilov in calling for further defense expenditures. Pervukhin and Saburov had not contributed to the nuclear destruction and the imminence of war themes, but like Malenkov were notable in their lack of concern for defense expenditures.

11. China: Certain Soviet leaders seem to have been more closely and continuously identified with Chinese affairs than others, and there are faint hints that internationalist or isolationist leanings might have affected their willingness to delay achievement of a goal in the USSR for the greater good of fraternal China. In 1949, the year of the Chinese Communist victory, Molotov, Khrushchev and Mikoyan were noted as the regulars at Chinese Communist embassy receptions in Moscow, and in 1950 Molotov and Khrushchev publicly expressed much greater enthusiasm for the recent Chinese Communist victory than did Malenkov, Kosygin, Suslov and Beria.

The soul-searching by the Soviet leadership in 1954 on the implications of nuclear warfare took place six months after the Korean war had been cooled off to a truce, at a time when shots fired in anger between communism and capitalism were being heard only in Indochina. The United States was publicly considering entering that war to back the French, the Chinese Communists were already deeply committed to the Viet Minh in at last pushing the ten-year-old war to a victorious conclusion. Sino-Soviet defense treaty obligations confronted the Kremlin in early 1954 with a very pressing need to evaluate the implications of a possible nuclear war spreading outward from the Communist Chinese gamble in Indochina. When read with these Far Eastern echoes, Malenkov's "death of civilization" speech seemed a warning that the risk of a major nuclear war was too great, Mikoyan's estimate of decreasing danger of war a calming assurance that the Chinese Communist gamble would pay off and that a world war would not develop, and Molotov's and Voroshilov's "death of capitalism" theme still further assurance of backing in a gamble which did not seem to them to risk fatal consequences.

12. Economic Aid to China: There were also faint hints in the summer of 1954 that there were differences of degree among the Soviet leaders concerning the amount of economic aid that should be spared to Communist China. Bulganin, Khrushchev and Mikoyan were the bearers of glad tidings to the fraternal Chinese in October 1954. The Soviet premier, Malenkov, and the Soviet foreign minister, Molotov, were notably absent. There had been an unusually cool exchange of telegrams between Malenkov and Mao a month earlier (2 September), traditionally a day for warm affirmations of unity and mutual respect. And in July 1955 Mikoyan is reported to have enlivened an official censure of Molotov with charges of past Soviet "meanness" in the economic exploitation of other socialist countries, citing an offer concerning joint stock companies which Mao had turned down.

13. Aid to Underdeveloped Countries: In early 1955 a change was apparent in Soviet foreign aid policies. Emphasis was shifted from Eastern Europe to the Middle East and the tempo was sharply increased. There had been sporadic reports of offers to "excolonial countries" even before Stalin's death, but it was not until shortly after Malenkov's removal from the post of premier and the accession of the B & K team to power that the program really took shape. Since that time, Bulganin, Khrushchev, Mikoyan and Shepilov have been most closely identified in public with the program. There are no reports on the subject, but on the basis of Molotov's reluctance to accept the

"new flexible" Soviet foreign policy, of which the economic aid program was an important instrument, and his apparent economic "meanness" in Eastern Europe, it might be inferred that he, like Malenkov, dragged his feet on the program.

14. Relaxation of International Tension - 1955: The spring of 1955 was marked by at least four moves by the USSR designed to relax international tension. The Austrian treaty was signed, a new disarmament package proposal was produced, the mountain went to Mohammed in Belgrade, and to a meeting at the Summit in Geneva. According to most reports, a hard core of resistance to these moves was provided by Molotov and Voroshilov and aided occasionally by "others," unnamed. These two had felt that nuclear destruction did not represent a new factor in world politics and threatened only the death of capitalism. Bulganin, Khrushchev, Mikoyan and "the new members of the central committee" reportedly provided the impetus for change and Shepilov and Suslov appear sporadically in this latter group.

15. Relaxation in Eastern Europe - 1955: During the summer and fall of 1955, the problem of Soviet control in Eastern Europe, having escaped from Pandora's box in Belgrade, arose to haunt the Kremlin. The reports of justification and recrimination during this period show Molotov and Voroshilov justifying past Stalinist harshness and filled with foreboding concerning a future in which the "doctrinally impure" Yugoslavia might infect Eastern Europe Satellites. As in the spring relaxation moves, the impetus for change continued to be provided by Bulganin, Khrushchev and Mikoyan. Kaganovich, Suslov and Shepilov are occasionally reported as allies of the latter group.

16. 20th Party Congress: There was, of course, no open disagreement at the 20th party congress in February 1956. There were, however, certain differences in emphasis by individual speakers, apparently reflecting their primary interests and their mental reservations. The four major themes were the denunciation of Stalin's practices in his later years, the possibility of cooperation in the socialist camp despite differing views on forms of transition to socialism, the possibility of averting war, and the possibility in certain countries of a transition to socialism through parliamentary means without civil war. The general effect was of enthusiasm on the part of Khrushchev and Mikoyan, obedient if uninspired support from Bulganin, spotty support from Suslov, Shvernik and Shepilov, and foot dragging from Kaganovich, Molotov and Voroshilov. Malenkov, depending on the subject, ranged from enthusiasm to complete disinterest.

17. Stalinism vs. The Thaw - 1956: By mid-1956, there appear to have been three groups in the leadership, differing in the degree of confidence with which they faced the need for a change from Stalinism in the satellites. Mikoyan and, according to one report, Mukhitdinov and Satyukov, who succeeded Shepilov as editor of Pravda, led in enthusiasm, envisioning still further changes. Bulganin and Khrushchev occupied a middle position, reportedly hedging to the Yugoslavs on the amount of independent action to be allowed in the future to European satellites, although he had promised a great deal earlier, while Molotov, Kaganovich, Malenkov, Voroshilov, Suslov and Pospelov viewed the liberalization already accomplished with the gravest foreboding.

18. Anti-Semitism and Great Russianism: There have been recurring themes throughout Russian history. Zhdanov, Voznesensky, A.A. Kuznetsov, Ryumin, and among the survivors, Khrushchev and Furtseva, have been charged with anti-semitic prejudices. Beria, Abakumov, Malenkov, Molotov, Mikoyan, Kaganovich and Pervukhin reportedly either have Jewish ties or have shown a lack of prejudice.

Zhdanov has been identified [redacted] with Great Russian "chauvinism," while Beria, Kaganovich, Mikoyan and probably Khrushchev have shown greater or lesser degrees of sympathy for national minorities.

SUMMATION

	VENTURESOME	CAUTIOUS
1. Varga 1945-6	Con	Pro
	Zhdanov Molotov	Mikoyan
2. Stripping 1946	Con-Internationalist	Pro-Isolationist
	Zhdanov Mikoyan Zhukov Voznesensky	Malenkov Saburov
3. Marshall Plan 1947	Con-Isolationist	Pro-Internationalist
	Molotov Zhdanov?	Mikoyan Kaganovich

	VENTURESOME	CAUTIOUS
4. Voznesensky 1949	Pro	Con
	Voznesensky Shepilov	Malenkov Saburov Suslov
5. Link vs. Brigade 1950	Brigade	Link
	Khrushchev?	Andreev
6. Agrogoroda 1950-51	Pro	Con
	Khrushchev	Beria Bagirov Malenkov
7. E. German socialization 1945-1953	Fast-Internationalist	Slow-Isolationist
	Zhdanov	Beria Malenkov
8. Consumer goods program 1954	More-Isolationist	Less-Internationalist
	Malenkov Khrushchev Kosygin Saburov Pervukhin Mikoyan	Voroshilov Molotov Kaganovich Khrushchev Shepilov
9. Virgin lands 1954	Pro	Con
	Khrushchev Mikoyan Kaganovich?	Malenkov Molotov
10. Nuclear Warfare	Unimpressed	Impressed
	Molotov Voroshilov Khrushchev Bulganin Kaganovich	Pospelov Malenkov Mikoyan Pervukhin Saburov
11. China	Pro	Con
	Molotov Khrushchev Mikoyan Bulganin Voroshilov	Malenkov Kosygin Suslov Beria

	VENTURESOME	CAUTIOUS
12. Economic aid 1955	More-Internationalist Khrushchev Bulganin Mikoyan	Less-Isolationist Malenkov Molotov
13. Aid to Underdeveloped Countries 1955	Pro-Internationalist Bulganin Khrushchev Mikoyan Shepilov	Con-Isolationist Malenkov? Molotov?
14. Relaxation of International Tension 1955	Pro-Internationalist Khrushchev Bulganin Mikoyan Shepilov Suslov	Con-Isolationist Molotov Voroshilov Kaganovich? Malenkov?
15. Relaxation in Eastern Europe 1955	Pro-Internationalist Bulganin Khrushchev Mikoyan Kaganovich? Suslov? Shepilov?	Con-Isolationist Molotov Voroshilov

16. 20th Party Congress 1956	More	Same	Less
a. Denunciation of Stalin	Mikoyan Khrushchev Suslov	Malenkov Molotov Bulganin Shvernik	Kaganovich Voroshilov

b. Different Roads to Socialism	Enthusiastic	Accepted	With Reservations Or Ignored
	Khrushchev Shepilov	Bulganin Mikoyan	Kaganovich Molotov Malenkov Suslov

	VENTURESOME		CAUTIOUS
c. Possibility of Averting War	Enthusiastic Khrushchev Mikoyan Malenkov	Accepted Bulganin Molotov	With Reservations Or Ignored Kaganovich Shepilov Suslov
d. Parliamentary Transition to Socialism	Khrushchev Mikoyan Shepilov	Bulganin Kaganovich	Molotov Malenkov Suslov

17. Liberalization in EE 1956	Enthusiastic	Accepted	Resisted
	Mikoyan Mukhitdinov?	Khrushchev Bulganin	Molotov Kaganovich Malenkov Voroshilov Suslov Pospelov

18. Anti-Semitism and/or Great-Russianism	Present	Lacking
	Zhdanov Voznesensky Khrushchev Furtseva	Malenkov Mikoyan Molotov Kaganovich Pervukhin Beria

Tendencies of Individual Leaders

19. Zhdanov: Zhdanov's policy preferences in the postwar years suggest him as the prototype of the "venturesome." Optimistic and confident, the prizes far outweighed the risks which in his eyes seemed small. He saw no reason to fear serious resistance or reprisal from capitalism and the question of a major war between the two systems seemed irrelevant. Internal capitalist strife had already knocked out two major power centers in Europe and Asia and had seriously weakened others. Grave economic problems, national antagonisms, colonial strife, and class conflicts were inherent in the enemy, to be manipulated by communism as the executive of the future.

> The sacrifices and dislocations caused by the unprecedented war, the victories scored over Hitler's Germany and imperialist Japan have brought about a new political situation all over the world, stirred up the masses of the peoples, raised their political activity and given a powerful impetus to the development of democracy in all countries... /Yugoslavia, Poland, Italy, Bulgaria, Rumania, Hungary and Finland were cited as part of this progress/ Further it should not be forgotten that the defeat of the Conservatives and the victory of the Labor party in Britain, like the defeat of the reactionaries and the victory of the bloc of Left parties in France, signify a considerable move to the left in these countries. (Nov 1946)

> It should be borne in mind that America herself is threatened by an economic crisis. There are weighty reasons for Marshall's generosity. If the European countries do not receive American credits, their demands for American goods will diminish and this will tend to accelerate and intensify the approaching economic crisis.... The main danger to the working class at the present time stems from underestimation of its own strength and overestimation of that of the enemy. (Sept 1947)

The Cassandras who warned of lessons learned and changes accomplished in capitalism, of the possibility of serious resistance from the enemy, spoke to deaf ears. Confidence in the ability of a dynamic socialism to predict and to control the "objective" factors of its world keynoted his policy preferences and his speeches.

Whether he was the initiator or not, Zhdanov was clearly the executor for the ideological purity campaigns in philosophy, art, literature and music from 1946 until his death in mid-1948. Art forms must be intelligible to the masses but more important, must be imbued with optimism. Socialist culture would, of course, prevail because of its inherently greater worth. It was not foreignness which was to be guarded against but pessimism, a most antisocialist characteristic.

> The task of Soviet literature is to help the state correctly to educate the youth, cater to its needs, rear the younger generation to be buoyant, confident in its cause, undaunted by difficulties, and prepared to surmount all obstacles. (Aug 1946)

His optimism and confidence in the ability of socialist man to control his environment by planning extended even to science, and he provided the seed, although not necessarily the savagery of tone, for the ideological campaigns which raged in scientific fields after his death. In his 1947 criticism of G. F. Alexandrov's history of philosophy, he referred scathingly to the "Kantian subterfuges of contemporary bourgeois atomic physicists (which) lead them to deductions of the "free will" of the electron and to attempts to represent matter as only some combination of waves and other such nonsense."

Since he rejected Varga's warnings on the postwar resilience of capitalism, he also opposed the stripping policy and its premised Soviet withdrawal from those areas. His original opposition to Marshall Plan participation has only been inferred, but he was again clearly the executor for the Soviet riposte, the formation of the Cominform; and the wave of strikes in France and Italy which followed in the autumn of 1947 is generally associated with his influence. If the inference of his opposition to the Marshall Plan is correct, it could only have been due to his expectation that it would fail, for there is no hint in any of his speeches or in the part of his career covered here of any isolationism.

Collection of declassified CIA Cold War documents
Compiled by Lydia Skalozub

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The roster of Communist leaders gathered under his leadership in Warsaw in September 1947 is striking for the number of "national" Communists included. His speeches on nationalism suggest that his loyalties and his trust ran along class lines, regarding national boundaries as only administrative conveniences and not as divisive in interests.

> The wise foreign policy of Stalin... has taken the Soviet Union out of isolation and has created and solidified the bloc of peaceful nations. (Feb 1946)

> Internationalism in art does not develop on the basis of a contraction and in impoverishment of national art. Rather, internationalism flourishes where national art flowers. To forget this is to lose one's individuality and become a cosmopolitan without a country. It is impossible to be an internationalist in music or anything else, without being a real patriot of one's fatherland. (Feb 1948) Only the new Russians who are not burdened down by the long series of scholastic periods of the Europe of previous centuries are able to look science full in the face; they honor it and make use of its blessings, but they do so without exaggerated deference to it. (Feb 1948)

Zhdanov died before the limits of his optimism and internationalism could be gauged--before it was evident that the Marshall Plan had "delayed" an economic crisis in the West, before the establishment of NATO underlined Varga's warning that wars between capitalist states were not inevitable, before the problem of national Communism reached the boiling point of an open break with Tito and began a wide swath of purges among the Satellite leaders in the Cominform.

Since he departed from the Soviet scene an optimist apparently unsullied by second thoughts and forced retreats, his name has continued a rallying cry for the venturesome in times of stress. He and Shcherbakov figured in the World War II rolls of honor with Bulganin and Khrushchev in 1954 and 1955. He was quoted, though not by name, in the Kommunist reprimand to Malenkov's "death of civilization" formulation in March 1954.

20. Voznesensky: Voznesensky's postwar career was a short one, lasting only three years. During that time, however, he was quite clearly identifiable with venturesome tendencies. One of his closest colleagues, Ostrovityanov, was a critic of Varga, both Voznesensky and Ostrovityanov opposed the stripping policy of retreat from occupied territories, and both appear to have been in the vanguard of the movement to complete the Five-Year Plan in four years, Voznesensky as the head of GOSPLAN and Ostrovityanov in providing the theoretical rationale. Like Zhdanov, Voznesensky appears to have become a symbol of enthusiasm and confidence--indeed overconfidence in the eyes of the cautious. (It might be noted that the tie between Zhdanov and Voznesensky was apparently a strong one. Voznesensky and his fellow-victim in the Leningrad affair, A. A. Kuznetsov, were the two who accompanied Zhdanov's body when it was sent to Moscow by train to the funeral.) Malenkov made several unkind comments on "enthusiasm" which may well have referred to Voznesensky.

> Exaggeration is a human feeling. There are comrades among us who suffer from this vice. These people cannot admire anything without gushing. They are incapable of simultaneously appreciating an achievement at its true worth and noticing the shortcomings in order to remove them. (Nov 1949)

> The facts show that successes have generated in the ranks of the party a mood of self-satisfaction, a pretense of well-being and smug complacency, a desire to rest on one's laurels and rely on past merits. No few officials have appeared who think that "we can do anything," "everying is child's play to us," "things are going well" and there is no use worrying oneself with such a disagreeable task as disclosing defects and mistakes in the work or combating negative and unhealthy phenomena in our organization. (19th party congress)

Stalin was even more pointed on the same occasion, flatly contradicting one of Voznesensky's theses, though without naming his victim, and adding:

> We, as the leading core, are joined each year by thousands of new young cadres, fired with the desire to help us, eager to prove themselves

> but lacking an adequate Marxist education, uninformed of many truths well known to us and thus obliged to wander in the dark.... They begin to imagine that the Soviet regime "can do anything" and "everything is child's play to it," that it can refute scientific laws and fashion new ones.

21. Malenkov: If Zhdanov was the prototype of the venturesome internationalist, Malenkov appears as his complete opposite, a cautious isolationist. His stand on Varga's warnings has not figured in [redacted] but Varga has generally been regarded as Malenkov's protegé, and Malenkov was identified with the policy corollary to Varga's estimate of capitalist resilience, the economic stripping of occupied areas. His stand on Marshall Plan participation would have depended on whether his fear of the West was stronger than his desire to strengthen the homeland through its economic benefits. His part in the violent reaction against Voznesensky's program suggests that fear may have been uppermost in his mind at least as early as September 1947 when he first used the formulation which was to signal priority for heavy industry. Fear runs through his early postwar speeches in curious contrast to Zhdanov's buoyant confidence.

> In the recent period the party had to wage a resolute struggle against various manifestations of an obsequious and servile attitude toward Western bourgeois culture.... The party had to deal a resolute blow against several specific manifestations of this attitude since these manifestations represent, in the present stage, a serious danger to the interests of the Soviet state, inasmuch as the agents of international reaction, in order to weaken the Soviet state, seek to utilize people infected with a feeling of servility toward bourgeois culture.... /Compare with Zhdanov's confidence six months later in 1948 that Russians would know how to use the good and discard the bad./ The survivals of these old capitalist conceptions are being used today by agents of American and British imperialism who spare no effort in their attempt to find within the USSR support for their espionage and their anti-Soviet propaganda. The agents of foreign espionage services are bending every effort to

> seek out weak and vulnerable points among certain unstable sections of our intelligentsia who still bear the stamp of the old lack of faith in their own forces and are infected with the disease of servility to everything foreign. (Sept 1947)

If a consumer goods program in addition to other demands on the economy was too risky in 1948 and 1949, with the West showing signs of resilience and a Soviet military re-equipment program to be undertaken, the agrogorod scheme of 1950-1951 was equally premature in Malenkov's eyes. And, like Beria, he seems to have been reluctant during these years to push socialization in East Germany. How much of this was due merely to a personal sense of timing, a distaste for drastic and possibly disruptive measures and how much to a belief that Soviet withdrawal might some day be necessary or advisable is impossible to judge with any degree of accuracy. According [redacted] Malenkov was charged in January 1955 with having agreed to Beria's proposal to allow German reunification as a bourgeois democracy. This may have been an effort by his enemies to put the worst possible face on what was no more than caution. On the other hand Malenkov's speeches, more than those of any other leader, have shown a strong sense of the physical entity of Russia.

> We should remember that we are sufficiently strong to defend the interests of our people. We have won a victory and want to protect our Motherland from any eventuality whatsoever. We do not want to pull the chestnuts out of the fire for others. If there are chestnuts available we will use them for the good of our glorious Soviet people... (Feb 1946)
>
> The October Revolution liberated the peoples of Russia from economic and spiritual enslavement to foreign capital. Soviet power has for the first time made our country a free and independent state. (Sept 1947). Never in the history of our country have the peoples inhabiting its vast expanses been so closely united.... Never in all its history has our country had such just, well-ordered state frontiers as it now has.... Never before in all its history has our country been surrounded with neighboring countries so friendly to our state. (Nov 1949)

> We would not have achieved the successes in peaceful construction in which we now take pride if we had permitted the weakening of our state. If we had not strengthened our state, our army, our punitive and intelligence agencies, we should have been unarmed in the face of our enemies and confronted by the danger of a military defeat. The party turned the Soviet country into an impregnable fortress of socialism by strengthening the socialist state in every way and it is continuing to strengthen it. (19 party congress) Certain officials, absorbed in economic affairs and achievements, begin to forget that the capitalist encirclement still exists and that the enemies of the Soviet state are persistently trying to smuggle in their agents and utilize unstable elements in Soviet society for their own vile ends. (ibid) In the northwest we have new frontiers, more just and corresponding better to the interests of the defense of the country.... Today the state frontiers of the Soviet Union correspond best to the historically evolved conditions of the development of the peoples of our country. (ibid)

Moreover, a recent FBIS study of speeches made in the post-Stalin period has noted that both Malenkov and Kaganovich seemed genuinely to fear a revival of German vitality which not even a German socialist system could control. The effective neutralization of a potential rival to Russia and its establishments as a buffer state would have had much greater appeal to him than the rebuilding of that rival, even in the fraternal unity of socialism.

If cautious isolationism characterized Malenkov's career under Stalin, it was still more apparent under the "collective leadership." By 1953 it seems to have been generally agreed within the collective leadership that some relaxation of tension was needed both internationally and internally. The consumer goods program at its inception does not appear to have been controversial, and it was not until other demands on the economy in the shape of agricultural and defense needs and foreign aid programs became equally pressing that matters of timing and degree became grounds for differences within the group. As might have been expected, Malenkov appears to have preferred the slower but surer path of further investment in traditional farming areas to the admitted gamble of the virgin lands.

During the 1954 efforts of the group to grapple with the implications of nuclear warfare, his attitude appears to have been that war in a nuclear age was quite literally unthinkable, the risks being too great for either side to allow war to impinge on their consciousness even as a possibility. "War can and must be averted," and backing the Chinese gamble in Indochina was no way to avert it. The defense establishment should be retained at its current strength, but need not affect consumer goods priorities. Equally, foreign aid programs, whether within the camp to fraternal China and the satellites or to purely problematic allies in underdeveloped countries, were all very well, but not until recognized economic imbalances in the consumer goods field at home had been corrected.

Khrushchev has been reported as protesting that Western commentators were misinterpreting Malenkov's fall in February 1955 by overemphasizing the question of consumer goods priority as the deciding factor. And it is quite true that Malenkov's formulations of the consumer goods program were never so gradiose as those of Mikoyan who survived the policy shift relatively unscathed. Even here Malenkov seems to have run true to form in his cautious approach to a recognized need for reform, and in his apparent belief that Russian needs came first.

Malenkov's performance at the 20th party congress was marked by guarded acceptance of de-Stalinization, lack of interest in the progress of socialism outside of Russia, but fervent support for Khrushchev on the subject of avoiding war.

> The supplanting of the capitalist system by a higher social order, socialism, is inevitable. When and how will this take place? What will be the forms of the transition to socialism? It is up to the people of capitalist countries to solve these problems. It is only they who can determine the fate of their states. But, one must time and again draw attention to the most important proposition put forward in the report of Comrade Khrushchev when he confirmed that war is not inevitable. War can and must be prevented.

Certain parallels in timing in the early post-Stalin careers of Malenkov and the Hungarian liberalization symbol, Imre Nagy, have led to speculation identifying Malenkov with early post-Stalin liberalization. Extremes in either direction,

"too rigid" political and economic controls or "too speedy" relaxation seem to have been equally distasteful to Malenkov. Even in the period following Voznesensky's execution with its strong emphasis on heavy industry, Beria by 1951 and Malenkov by 1952 were publicly recognizing the need to redress imbalances in the economy by increased attention to consumer goods. In the case of satellite controls as in the consumer goods problem the need for some relaxation of controls seems to have been generally agreed upon immediately after Stalin's death, and Malenkov may well have backed Nagy's early program.

Malenkov did not appear in the roster of those concerned about the pace of liberalization in Eastern Europe until mid-1956 when he was reported among the cautious foot-dragging group. At this point he was able to attack a powerful rival who had participated in his downfall 18 months before, to do so on a subject which was congenial to him, and to do so, not in suicidal isolation, but with the backing of allies equally concerned about the "risks" they foresaw.

22. Beria: Beria's few appearances in policy issues on the side of cautious isolationism may seem curious for a man with as evil a personal reputation as his. It is possible, however, that his long responsibility for internal security made him aware of the hazards of arousing widespread popular discontent in the USSR and of overextending the Soviet control system in unwilling allies. His opposition to the drastic dislocation of the peasants envisioned in the agrogorod scheme and his respect for their ties to their private plots have already been noted, as has his reluctance to push socialization in East Germany.

Two years after Beria's fall, Molotov was reportedly accused of having tolerated Beria's policy in the DDR "in solving the question of unifying the peasants, with the result that a combination of force and technical unpreparedness" had led to mass flights of farmers to the West.

Joseph Koevago, mayor of Budapest during the October 1956 Hungarian rebellion, reports [redacted] that Beria had personally supervised the replacement of Rakosi by Imre Nagy in the spring 1953 Hungarian liberalization program. Beria reportedly assured Nagy of his personal protection from reprisal by Rakosi. [redacted] noted in connection with Beria's fall that as a result of this struggle for power in Moscow, "Rakosi seized control again after Beria's arrest and repealed the Nagy

reforms." Nagy's program was described as "legality," which had indeed been a keynote of Beria's speech at Stalin's funeral. More far-reaching than prison reforms and amnesties, "legality" in Nagy's and possibly Beria's programs seems to have included lessening of pressures to force the life of the country into the political and economic molds of communism.

The "combination of force and technical unpreparedness" in the DDR with which Beria was charged seems to have described his policy tendencies--ready use of individual terror to deal with flagrant rebelliousness or unrest, but a reluctance to institute further measures--no matter how politically orthodox, efficient or desirable from the point of view of expanding economic and political system of communism--that might disrupt the work and living habits of large sectors of the population. Certainly, the continued existence of private plots in the Soviet economic system constituted "technical unpreparedness" for a hoped-for transition to communism. Similarly a slow socialization policy in East Germany would constitute "technical unpreparedness" for transition to a fully socialist system.

23. Molotov: Molotov's postwar career presents a curious picture of willingness to accept risks of war in the international field but caution in other aspects of policy. The answer to this apparent split personality may be partially in his dependence on "the book," in itself a form of caution in following blindly the "infallible" guidance of another, and partially in his long association with foreign affairs.

Like Zhdanov, he refused to accept Varga's postwar estimate of capitalist strength, insisting that the Marshall Plan would fail because of the inherent weaknesses in capitalism which orthodox doctrine had foreseen. In March 1950 he was still insisting that capitalist economic collapse had actually begun:

> The American figure of minus 22 percent (fall in industrial output 1948-9) testifies to the beginning of an economic crisis in the United States and at the same time to the crisis which mounts in all capitalist countries.

Mikoyan's formulation on 10 March 1950 made an interesting contrast in its pro forma reference to "inevitability" but with escape clauses:

> The newly invented talisman for the struggle against crises so inevitable under capitalism and the reassuring assertions of the ruling circles only temporarily can produce but an appearance of relief and only temporarily contain the panic and fear of the consequences of the crisis.

Molotov and Kaganovich were the only speakers at the 19th party congress in October 1952 who mentioned the late-lamented Zhdanov and Shcherbakov. It is possible that they did so because they gave the ceremonial opening and closing speeches. On the other hand, Zhdanov as the leading post-war exponent of optimism and confidence and a major opponent of Varga's views would have been a natural ally for Molotov on foreign affairs. In addition, the Zhdanov-Shcherbakov combination received heavy emphasis in 1954 apparently as a symbol of orthodoxy in heavy industry and defense needs and acceptance of foreign policy risks when Bulganin, Khrushchev, Molotov and Kaganovich were united in backing this policy complex.

There have been several indirect references to Molotov as a "bookman" Marxist and dogmatist. Malenkov's 19th party congress speech warned that "those who live by rote" as well as those who believe that "we can do everything" would be thrown into the discard by life. Khrushchev in his secret speech noted that Molotov and Mikoyan had been in danger of liquidation in the fall of 1952. The Kommunist editorial in September 1955 which attacked, without naming Molotov, the latter's error of February 1955 concerning the building of socialism in the USSR spoke ominously of the danger of separating theory from practice, of transposing formulas of the distant past to present conditions, and warned that dogmatism is especially inadmissible "in the sphere of international life."

Marxist-Leninist doctrine said nothing about communism gambling on rainfall--Molotov reportedly opposed the virgin lands program. There was no reference in "the book" to new weapons so destructive as to make war a Pyrrhic victory even for the inevitably victorious Soviet Union--Molotov more than any other leader was identified with the "death of capitalism" theme in the spring of 1954 when Chinese Communist adventures in Indochina raised the problem of Soviet treaty obligations to China. His repetition of this theme, together with his promotion of the CPR to co-head of the camp of socialism during the offshore islands tension in February 1955, seems to have served the same purpose of assuring Soviet backing for

the Chinese in a possible war with the US. And since war was still a feasible instrument of foreign policy, defense needs must be met by emphasis on heavy industry.

The September 1955 Kommunist reprimand of Molotov which seems to have evened all sorts of old scores, dealt particularly harshly with Soviet economists who saw "expanded reproduction" replaced by "diminished production" and the "self-strangulation" of modern capitalism.

> Undoubtedly the deepening of the general crisis of the capitalist system bears witness to the further rotting of capitalism, but, as Lenin pointed out, it would be a mistake to think that the tendency to rot excludes the rapid growth of capitalism.

It warned further that such distortions of the integrity of the principles of Marxist tenets leads to conclusions at variance with objective reality and the policy of the party, and for good measure cited the horrible example of the woe-begone economists who drew wrong and politically harmful conclusions in denying the need for preferential development of heavy industry. That this was a far from academic matter is suggested by Mikoyan's speech at the 20th party congress which contained the only substantive criticism of Stalin advanced by an authoritative figure. His criticism was directed at this same thesis of the self-strangulation of capitalism. Molotov, clinging grimly to doctrine, appears to have been still insisting in 1955 that capitalism was on the verge of collapse and that "in order to accomplish something we do not need these new methods of negotiations" such as the Austrian treaty, the new disarmament package proposal, the Yugoslav rapprochement, the Summit meeting, the aid to underdeveloped countries, improved relations with Japan, et al. Acceptance of the risk of a war which communism would inevitably win was right and proper. But taking one step backward, in relaxing international tension, in order to take two forward was a recommended technique only in the face of strong opposition, and his faith in the imminent crisis of capitalism was undimmed.

In addition to being cautious and doctrinaire even to the extent of accepting grave risks of war, Molotov seems to have been strongly isolationist. There is a suggestion of this in the Kommunist editorial which warned that the problems of building communism in the USSR cannot be considered separately from the problems connected with the camp of socialism. To this was added a

call for "tolerance on all matters touching on radical questions of principle on Marxist-Leninist ideology and policy" and recognition of national peculiarities and differences in rates of transition to socialism.

Like Malenkov, his early postwar speeches suggest a distrust of foreignness.

> Of course, acquaintance with the life of other nations will certainly be of benefit to our people and will broaden their outlook. It is interesting, however, that Soviet people return home with even more ardent feelings of loyalty to their homeland and the Soviet system. (Nov 1945) Not all of us have yet rid ourselves of obsequious worship of the West, of capitalist culture. It was not for nothing that the ruling class of old Russia were often in a state of such profound spiritual dependence on the capitalistically more highly developed countries of Europe.... Unless one rids oneself of these shameful survivals, one cannot be a real Soviet citizen. That is why our Soviet people are filled with such resolute determination to put an end as quickly as possible to these survivals from the past, mercilessly to criticize all and every manifestation of obsequious worship of the West and of its capitalist culture. (Nov 1947)

This isolation had a different slant, however, from that of Malenkov who seems to have been genuinely disinterested in progress outside Russian borders. For Molotov, possibly because of his foreign policy responsibility, an increase in the size of the Soviet empire was to be hailed with rejoicing but only as an added field for exploitation for the homeland, not as an ally to be strengthened in its own right.

He may have "tolerated Beria's policy" in the DDR because internal policy in East Germany was not his direct responsibility, but on the subject of East Germany vis-a-vis the West, his stand was unequivocal. On 16 October 1954 in an unusually explicit speech he said:

> The development of the DDR has been so planned that it must become an integral part of the socialist bloc, while at the same time guaranteeing a peaceful existence to a large part of Germany.

His opposition to liberalization in the satellites in 1955 and 1956 which had been referred to in the Kommunist editorial seemed to be based on the same principal--j'y suis, j'y reste.

The 1955 charges against Molotov concerning the insolence of Soviet diplomats and the suggestions that Molotov was being held responsible, at least in part, for past economic exploitation of the fraternal satellites and attempts to do so in Communist China have already been noted.

At the 20th party congress, Molotov was among the more temperate speakers concerning the "great harm" caused by certain "abnormalities" in Stalin's later years. He apparently could not bring himself to discuss the possibility of parliamentary transition to socialism, contended that national characteristics had from the beginning been retained in Eastern European construction of socialism, and he was restrained in his comments on the possibility of averting war. He refused to accept the Yugoslav rapprochement as a contribution to socialism, presumably because, as he reportedly once charged, the Yugoslav Communist party could not be regarded as doctrinally pure. He went to some pains, however, to praise the successes in socialist building of the Chinese Communists whose doctrinal footwork had been more sure-footed at least through 1955.

24. Kaganovich: During Stalin's lifetime, Kaganovich appeared only once in reported alignments on postwar problems. That one occasion was on the subject of participation in the Marshall Plan, which he allegedly favored. This may have been because of his departmental responsibilities and a hope that the cement industry could be given a much-needed boost. The other possibility is, of course, that the report was wrong. As late as 8 May 1955, long after the need for conformity with the 1947 decision was past, and indeed after the subject had been dropped by other leaders, Kaganovich was insisting that the Marshall Plan had been both a trap and a failure. He told the Czechs:

> After the war they (the American imperialists) came forward with the Marshall Plan.... They managed to make the ruling class of certain countries dependent on them, but they failed and they will never succeed in subjugating the peoples of these countries. I am sure that their assistance to France and to other countries not only failed to sponsor economic development but it undermined even the normal trade relations between countries.

He may have backed the virgin lands gamble and he seemed to be aligned with Bulganin and Khrushchev in the discussion of the imminence of war in 1954. Kaganovich and Molotov were the first leaders to warn publicly against the danger of preoccupation with consumer goods at the expense of heavy industry, and Kaganovich was the only leader besides Khrushchev to remind the party of the continued threat of "capitalist encirclement" in 1954. He reportedly backed the 1955 relaxation in Eastern Europe, but the relaxation of international tension in the same year seems to have been too much for him. With Molotov he fought a losing battle against each step.

His remarks on the Marshall Plan in May 1955 were made at a time when the USSR was reinstating various trade contracts in Western Europe which they had canceled three to four months earlier. They sounded a curiously dour note of distrust of Western economic stability, seeming to hark back with nostalgia to the economic isolationism of the late 40's and were in strong contrast to the Khrushchev line of peaceful coexistence coupled with economic competition.

Despite the warning directed at Molotov in September 1955, Kaganovich's 1955 October Revolution speech was startling in its neglect of the "Geneva spirit" as well as its insistence on Western "contradictions which are growing more acute." "These /US economic/ crisis phenomena did not spread throughout the world, but there are no grounds at the moment for speaking of a real establishment of some balance."

On 25 November 1955, Kaganovich was shorn of one of his honors when the Moscow subway which had been named for him was renamed, leaving him with the faint consolation of one station as his namesake. On the same day Mikoyan received birthday greetings which, according to an FBIS analysis, notably

outranked the one Kaganovich had earlier received. In late November and early December Pravda devoted two editorials to reproof of dogmatists who separate theory from practice and fail to appreciate the need for adjusting tactics to changed conditions. When Bulganin and Khrushchev went to India, Mikoyan appeared to be the caretaker in Moscow. /Kaganovich had officiated while Bulganin and Khrushchev were in Geneva./

At the 20th party congress Kaganovich, with Malenkov, Molotov, Bulganin and Shvernik, referred only to "certain abnormalities" in Stalin's later years which had done "great harm." Kaganovich in particular seemed reluctant to go further, calling the struggle against the cult of personality "no easy question." Where Bulganin emphasized the need for speed in wage reforms and revision of norms, Kaganovich asked for time and careful study of the question. He depicted a "dying and decaying capitalism," a colonial system "bursting at the seams." On the possibility of averting war he echoed Stalin's 19th party congress speech. He omitted Yugoslavia in his bow to national roads to socialism, although he cited China and "the People's Democracies," and his acceptance of parliamentary transition to socialism was equally tepid.

Until he joined with Molotov in resistance to measures to relax international tension, Kaganovich does not appear to have exerted any great degree of personal leadership. After the winter of 1955 he became with Molotov and Voroshilov a symbol of efforts to hold the line in both domestic and foreign affairs.

25. Khrushchev: During Stalin's lifetime, Khrushchev appeared in only two reported postwar policy questions, both in agriculture. In both cases, he was found on the side of change, relying on forms of organization and bigness of operation to ensure progress in agriculture. This concern with form and size was echoed in the virgin lands program of 1954 which not only had the advantage of the dramatic gesture with a possible fast payoff but also increased the proportion of state as opposed to collective farms in the economy. There are also signs of these themes in his theses on the economic reorganization in the USSR, in a tendency to substitute party for ministerial channels and in grandioseness of concept.

Khrushchev seems with the rest of the leadership to have accepted the consumer goods program initially, although his phrasing was more restrained than that of Malenkov or Mikoyan. During the reassessment of nuclear warfare in early 1954,

Khrushchev, Bulganin and Kaganovich took a middle position. Where Malenkov recoiled from the idea of nuclear warfare as unthinkable and therefore not to be prepared for and Molotov refuted the probable extent of destruction, insisting on preparation, Khrushchev seemed to be insisting on preparedness, regardless of whether war was a feasible instrument of foreign policy or not. His estimate of the imminence of war and his concurrent revival of the encirclement theme contrasted strongly with Mikoyan's confidence that war would not come. Whether this indicates a more pacific appraisal by Mikoyan of Western intentions or whether it suggests a greater willingness on Khrushchev's part to contemplate the possibility of war is not clear.

Khrushchev's pronouncements on the probability of war were not as immediately applicable to the Chinese gambit in Indochina as were the "death of civilization" and "death of capitalism" speeches. As has already been noted, however, the area of greatest tension and the most probable source of a clash in 1954 and early 1955 was the Far East. If his speeches are read with a Far Eastern echo, they suggest again a middle ground between Malenkov's revulsion from and Molotov's reaffirmation of Sino-Soviet defense treaty obligations.

By September 1954 it was clear that the combined demands of the consumer goods program, the virgin lands program, defense needs and Chinese Communist demands for economic aid were too great for all to receive top priority. Something had to give, and for Khrushchev it was consumer goods. He made it quite plain, however, that this was a temporary shift and that doctrine to the contrary, the proportion of emphasis on consumer goods might well be increased in further Five-Year Plans. One purely internal goal was to be delayed in favor of another, that of increased agricultural production, together with a defense program which would enable the USSR to conduct a foreign policy in the direction either of conciliation or war, and economic aid to the fraternal Chinese. Which of these latter three factors weighed most heavily is impossible at this point to say. The choice of which internal goal to sacrifice was made easy for him--he had authored one, Malenkov was closely identified with another, and Malenkov was a rival.

With the change in defense priorities accomplished, Khrushchev embarked on a more flexible foreign policy from a military position of strength. Unlike Molotov, his "risks" in foreign policy consisted of wooing possible allies rather than stonewalling them, abandoning a few unproductive positions and risking the blurring of ideological purity in the

hope of greater gains in Soviet influence internationally. His choice of tactics may have been dictated in part of a recognition that some additional over-all relaxation of tension was desirable since the stonewalling had proved both dangerous and unproductive, and in part by a decision to move against another rival in an area in which the latter seemed vulnerable. Malenkov had been cut down to size; Molotov was next.

By May 1955, Khrushchev had joined Malenkov in calling peaceful coexistence of the socialist and capitalist systems not only possible but necessary. There was nothing unaggressive about the new foreign policy, however, despite its conciliatory air. Certain unproductive positions of hostility to capitalism were dropped. These involved the Austrian Treaty question, disarmament negotiations and, according to the July 1957 charges against Molotov, the normalization of relations with Japan. The concept of struggle was by no means abandoned but merely transferred to the slightly less inflammable fields of ideas and trade. And, to balance these semiretreats, Soviet influence was to be expanded into new areas in excolonial countries by an economic aid program and by judicious appeals to the established governments regardless of their political complexions. His special interest in this program is suggested by the fact that at the 20th party congress Khrushchev was the only one who noted that excolonial countries can "now" draw on the achievements of the socialist camp.

Khrushchev's gambling instincts and his fervent optimism have apparently enabled him to accept with equanimity the risks of new clashes which this expansion may entail. War is to be avoided--the possibility of doing so is real--but if it comes let it be on a new and more productive issue. Communism is after all the future.

In internationalism, too, he seems to have held to a middle ground between Malenkov's isolationism and Mikoyan's free-wheeling tolerance of foreign influences. Khrushchev recognized the needs both economic and politico-military to the Chinese Communists; under his aegis Mikoyan launched his charges of economic exploitation of the satellites; and Khrushchev was among the first to push for liberalization of Soviet controls in the satellites.

If the Poles are to be believed, however, he showed qualms about the growth of national characteristics which broke with the Soviet mold at a time when Mikoyan was still enthusiastically calling for further liberalization.

His retreat from Stalinism was exactly that, a retreat rather than an escape. He did not denounce Stalin, even secretly, until Mikoyan had done so publicly on a substantive point, and his denunciation when it came was primarily of the tragic irony of Stalin's mistaken belief that he had to destroy loyal comrades for the good of the socialist cause.

There have been somewhat caustic comments reported from the Poles that Khrushchev is no theoretician. He showed scant regard for doctrine in his three "new possibilities" at the 20th party congress, "creatively applying" it in tactics as the situation seemed to him to warrant. For Khrushchev's purposes Sukarno's overthrow by revolution and replacement with a Communist leadership is not immediately necessary when a little economic aid and a lot of personal flattery will at a minimum deny him to the West as a trustworthy ally. The doctrinal problem can be dealt with later of whether Sukarno and his office should be regarded as representative of a brand of capitalism even though Indonesian independence from the Netherlands has been announced, or whether as a native leader of a newly independent excolonial country he can be regarded as representing national interests. In his own field of agriculture, however, Khrushchev has shown a continuing concern for orthodoxy in organizational forms, he has retained the classic concept of strife and struggle against capitalism, and he has reiterated again and again his concern lest political coexistence be extended to ideological coexistence. He seems willing to experiment tactically with doctrinal changes until these shifts threaten ground already gained when he reverts to orthodoxy.

26. Mikoyan: Mikoyan appears in the postwar years to have had a wider tolerance for new ideas regardless of their doctrinal orthodoxy and a stronger bent toward internationalism than any of the other leaders. The result combined with confidence verging on the venturesome has made for some very curious bedfellows for him.

During Stalin's lifetime, when the issues turned on varying estimates of capitalist strength, Mikoyan appeared consistently to accept Varga's unorthodox estimate of relative strength. His reaction to this strength in 1946 differed from Malenkov's, in the same way that their reactions to the 1954 assessment of nuclear warfare differed. In 1946 Zhdanov was insisting that capitalism was relatively weak. Malenkov saw it as still relatively strong and planned to retire into the fortress of the Soviet homeland in a state of siege. Mikoyan too accepted Varga's estimate of the continuing relative strength of capitalism but proposed to build a bastion of socialism in the occupied territories to meet the capitalist enemy.

In the spring of 1954 when Malenkov seemed to be arguing that nuclear warfare made the Chinese Communist gamble in Indochina and, indeed, any war too risky to contemplate, and Molotov was retorting that the destruction entailed in nuclear warfare would not be greater than the Soviet Union could afford, Mikoyan seemed to be reassuring them both that it would not come to war on a major scale. He made his thesis explicit two years later at the 20th party congress where he stated that the imperialists were restrained from launching World War III by Soviet possession of the atomic and hydrogen bombs and capability to deliver them.

If participation in the new-fangled gadget of the Marshall Plan (which would not collapse, despite Molotov's direful prophesies) could be turned to the advantage of socialism, well and good. There was nothing in foreignness to daunt an Armenian working in a Russian government to build an international socialist system in polyglot Eastern Europe.

When Stalin died and the need for added emphasis on consumer goods was generally recognized, it was Mikoyan, ever receptive to change, who went further than any other speaker in hailing "a new stage" in the development of the Soviet economy which would allow a forced pace for the production of consumer goods.

During 1954 Mikoyan had little or nothing to say on the subject of defense needs, although his 1956 claims for the deterrent power of Soviet military strength suggest that he may have been concerned earlier. He was clearly identified with economic aid to China in the fall of 1954 and he seems at the same time to have backed Khrushchev in the virgin lands program. As in the case of Khrushchev, it is difficult at this point to determine which of the latter three priority claims weighed more in Mikoyan's mind in dropping or delaying the consumer goods program.

Mikoyan was reported among the leaders who showed an early interest in China, he made reassuring noises during the Far Eastern tension of early 1954, he accompanied Bulganin and Khrushchev on their gift-bearing junket in the fall of that year, he was identified with an interest in economic aid to Egypt as early as February 1954, he has been frequently identified [redacted] with the Yugoslav rapprochement and with the ensuing liberalization in Eastern Europe, and he toured Southeast Asia in early 1956 bearing gifts and offers of economic aid. In the Eastern European liberalization he has been reported as playing a leading role in criticism of

past Soviet economic policies as "mean." In September 1956, Khrushchev appeared to be having qualms concerning the growing centrifugal tendencies in the satellites, reportedly telling Tito that the CPSU must naturally maintain primacy and other Communist parties must continue to look to it for leadership and warning him of the dangers to communism inherent in Yugoslav collaboration with the West.

alleges that at that time there were three definite groups in the Kremlin--the Stalinists led by Molotov, Khrushchev's "thaw" group and a group led by Mikoyan advocating far-reaching democratization exceeding anything envisioned by the middle ground of the "thaw" group.

A recent FBIS study of speeches by the collective leadership in the post-Stalin period concludes that Mikoyan and Pervukhin seemed to show a noticeably greater degree of confidence in the ability of socialism to control the warlike tendencies of the Germans than do those of the isolationist Malenkov and Kaganovich.

Another FBIS study (RS.10) has raised the possibility of a personal contact between Mikoyan and Burzdhalov, the heretic editor of Problems of History, at the time of the 20th party congress. Burdzhalov in the ensuing 12 months published articles which brought into question an unusually wide range of established policies. It is not suggested that Mikoyan shared Burdzhalov's doubts on all these policies. It is suggested that he, more than the other leaders, has a respect for ideas, that he is in fact the egghead of the group.

Mikoyan's 20th party congress speech was characteristic of his internationalism and his confident acceptance of new ideas. He was the only one publicly to criticize Stalin on a substantive issue. He alone praised the liquidation of military bases in China and Finland, liquidation of "the isolation of Soviet public and state organizations from the outer world. The time is past when the Soviet land of socialism was isolated and when we were an oasis in the capitalist encirclement. Now there is no question of it." He complained that the USSR was seriously lagging behind in its study of contemporary capitalism, and lamented the abolition of research institutes both in this field and in oriental studies.

A State Department study of his 20th party congress treatment of the wage problem concluded that he was more egalitarian in his approach than any of the other speakers. Only Mikoyan

and Saburov cited the split of GOSPLAN into long and short-range planning groups as a major achievement, and Mikoyan followed this up with a plea for improved statistical work in the USSR, again showing an interest in ideas, not rules.

27. Zhukov: Zhukov's appearance in policy questions have been rare. He is reported to have opposed the stripping policy in the early postwar years. Opposition to withdrawal from territories won in war is not surprising from a military leader. There is a suggestion that he may have been discussing the "death of civilization" problem in the late spring of 1955, but by this time Khrushchev had joined Malenkov in insisting that war can and must be prevented, and only Molotov, Voroshilov and possibly Kaganovich were opposing efforts to relax international tension. In the summer of 1955 both Tito and Kardelj stated that Zhukov was personally responsible for proposing the Soviet-Yugoslav talks leading to a rapprochement.

Zhukov was said to be isolating the Soviet army from interference or involvement in current questions. That he wished to avoid a repetition of the 1954-55 discussions of who contributed most to victory in World War II is quite probable.
that Zhukov was opposing Rokossovski's efforts to follow Zhukov's example" in Poland by attempting to get rid of Witazewski's political management of the Polish armed forces.

The Soviet army's natural preference for maximum Soviet controls, both political and military, over the Polish armed forces on its doorstep would align Zhukov willy-nilly with either Khrushchev's "thaw group" or possibly even the Molotov Stalinists on this particular question. His waiting game may have consisted of refusing involvement in other questions in which the army did not have a clear professional stake.

The fleeting glimpse gained here suggests a middle-of-the-roader somewhat like Khrushchev's past performances. In addition to his canny balancing ability, however, Khrushchev likes gambles and drama. Whether Zhukov shares these tendencies with him is not yet clear.

28. Other Ranks: In addition to the major figures seen in the preceding pages, there have been fragmentary glimpses of minor members of the leadership group, some junior in age and rank, others like Bulganin and Voroshilov senior in age and rank but junior in the force of the leadership they seem to exert.

Bulganin, despite his position, has not emerged as much more than an echo for Khrushchev in the initiation of policies. His phrasing in the early months of the consumer goods program was correct but not enthusiastic. He did not appear at all in the agricultural problem. In February 1954, Khrushchev cited the continuing danger of capitalist encirclement in urging the cause of defense expenditures. Mikoyan in March 1954 contended that the danger of war had decreased. Bulganin in the same month warned:

> We cannot assume that the imperialists are spending vast sums on armaments merely to frighten us. Nor can we reckon on the humaneness of the imperialists who, as life has shown, are capable of using any weapons of mass destruction.

In June 1954 he repeated this theme:

> It is obvious that until the US renounces the use of atomic and hydrogen weapons the Soviet Union is forced to possess these weapons so as not to be left without weapons in case of surprise.

With Molotov, Mikoyan and Khrushchev, he was identified with early recognition of China and he accompanied the latter two on their economic aid trip to China in the fall of 1954. From early 1955 onward, the Bulganin and Khrushchev team assumed the aspect of Siamese twins. His 20th party congress speech provided correct if uninspired support for Khrushchev's three "new possibilities" and he reserved his real force for a somewhat specialized problem--that of "an unscientific theory to the effect that there is no moral depreciation of machinery under socialism."

Voroshilov in November 1953 described the consumer goods and agricultural programs together in restrained and undramatic terms. With Molotov he insisted in March 1954 that World War III would mean the "death of capitalism" in contrast

to Malenkov's "destruction of world civilization" speech; with Molotov he provided a step-by-step resistance to the measures to relax international tension in the spring of 1955 and to liberalization in Eastern Europe in the same year. At the 20th party congress he lauded the principle of collective leadership but made no reference to any previous "irregularities." Khrushchev in his secret speech called upon Voroshilov by name to cast aside his inhibitions and admit the existence of Stalin's faults. Like Molotov, he seems in the post-Stalin years to have been among those who saw no need for new methods since the old ones had served well.

Suslov's first appearance in policy issues was in the fall of 1952 when his own record was apparently sufficiently clean for him to reprimand Shepilov for the latter's involvement with Voznesensky in 1949. In 1950 he was, with Malenkov, Kosygin and Beria, among the less enthusiastic in greeting the birth of the CPR. He is reported to have accepted the need for the relaxation measures of 1955, both in the international field and in Eastern Europe. At the 20th party congress he was among the most vigorous in indirect denunciation of Stalin's later practices, but he was tepid in his acceptance of Khrushchev's three "new possibilities." He echoed Khrushchev's criticism of the benighted economists who had advocated slowing the growth of heavy industry, and he repeated Bulganin's criticism of some economists on the non-obsolescence of machinery. As had been foreshadowed by his restraint at the congress, Suslov appears to have been an active member of the "Stalinist" group in 1956 in emphasizing the monolithic character of international communism, demanding controls to counteract the centrifugal force of national communism.

Shepilov appears to have begun as a Voznesensky enthusiast, gravitating naturally from there to the optimistic and venturesome Khrushchev. His 20th party congress speech showed one curious omission which may have foreshadowed his appearance with Molotov in the "antiparty group" of June 1957. Despite the fact that he was to be assigned less than six months later to foreign affairs, he failed to make even a pro forma reference to Khrushchev's "new possibility" of averting war or to the possibility of coexistence.

Saburov's sporadic appearances in policy issues seem to have followed Malenkov's lead, in the stripping problem, in the Voznesensky issue, in the consumer goods program, and in

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