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WORKING GROUP ON TRENDS AND IMPLICATIONS OF SOVIET POLICY

COMMUNIST STATEMENTS ON ATOMIC WARFARE

Note by the French Delegation

The attached survey of Communist statements on atomic warfare has been provided by the French Delegation for the information of other delegations to the North Atlantic Council.

2. In forwarding this paper the French Delegation points out that it in no way commits the French Government.

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SURVLY BY THE FRENCH DELEGATION
OF COMMUNIST STATEMENTS ON ATOMIC WARFARE

1. According to Marxist-Leninist doctrine, which was invoked once again by Stalin at the XIXth Congress of the Communist Party of the Soviet Union in 1952, the capitalist system bears within itself the seeds of its own decline and is doomed to disappear. Communist policy has always been to foster and accelerate this "historical process". The assertion that atomic weapons would bring about the destruction not only of the capitalist system, but also of world civilisation, therefore clashes with the fundamental law of Communist doctrine. This assertion is liable to discourage the Communist masses by undermining their belief in the victory of the proletarian revolution, "inevitable" in the more or less distant future. Within the Communist camp, such a statement might tend to make fear of war a primary and over-riding preoccupation and thus produce a corrosive defeatism. The same consideration applies to non-Communist countries, where militant Party members must not be allowed to become so obsessed by the prospect of total destruction as to lose their fighting spirit and resign themselves to coming to terms with the opposite camp.

2. The Soviet Union will therefore endeavour to revive the confidence which the masses should have in the inevitability of the victory of Communism and in the power of the USSR. To this end, statements on the advanced state of its atomic preparation have proliferated; on 8th February, Molotov declared:

"In fact, Soviet progress in the production of hydrogen weapons is such that it is the USA, not the Soviet Union, that is lagging behind".

3. At the same time, the Soviet Government is substituting for Malenkov's statement of 12th March, 1954, that "... a new world massacre, ... under contemporary methods of warfare, would mean the destruction of world civilisation", the following statement by Molotov (8th February, 1955):

"It is not 'world civilisation' that will perish, however much it may suffer from such new aggression, but the decaying social system of which bloodthirsty imperialism is the core ...".

4. To make it quite clear that this is the orthodox Communist line and admits of no discussion, this statement is repeated frequently. On 26th March it was emphatically reaffirmed by Voroghilov at the session of the Supreme Soviet of the Russian Federation (RSFSR):

"We are not to be intimidated by fairy tales about the end of world civilisation in the event of another war. We know that if the imperialists once again launch a new world war, it will not be civilisation which will perish, but the capitalist system, which has already outlived its day".

5. The leaders of the French Communist Party lost no time in falling in with the realignment of the Party's policy on a point of this importance. Maurice Thorez, in a letter to the

editor of the Communist daily "Les Nouvelles de Bordeaux et du Sud-Ouest", which was reproduced in "Humanité" of 3rd March 1955, set things straight. He pointed out that the special number of "Nouvelles" on the threat of atomic warfare had indulged in some exaggeration. He added, obviously referring to Malenkov's statement of 12th March, 1954:

"The Nouvelles' does not have the monopoly of such exaggeration and still less the original responsibility". Further on, he described the disastrous consequences which might be the outcome of such exaggeration, as follows:

"Such exaggeration is bound to bring grist to the mill of the American imperialists who hope to prepare an atomic war with impunity, by spreading false ideas among the masses, such as: "There is nothing to be done! What's the goo of struggling? It's the end of the world!" Or: "The atomic danger is so great that they will not dare to drop their bombs; they don't want to commit suicide".

"It does not matter to the war mongers that those arguments are contradictory. The essential thing for them is to discourage, disarm and demobilise the masses, and to deter them from taking the necessary action to preserve peace".

"Comrade Molotov's last speech (which is especially to be recommended to our fighting members) provides the answer to those who talk about the annihilation of civilisation".

6. Thorez then quotes the passage from Molotov's speech of 8th February which is reproduced above.

7. The position thus taken up by the French Communist Party, which follows the Moscow line in every respect, is at variance with the arguments repeatedly put forward by the intellectuals of the FCP and by the leaders of the Peace Movement. It may even be said that one of the purposes of the Peace Movement was to harp on the appalling consequences of atomic warfare in order to justify the campaign launched for its prohibition. Appeals, meetings and Peace Congresses have disseminated a great deal of literature on the theme of the annihilation of all humanity in the event of war, (Annex C).

8. The last appeal to be launched (19th January 1955), which, like the Stockholm appeal (Annex A) is to be the starting-point of a great campaign for signatures in all countries, also states that "the use of atomic weapons will lead to a war of extermination" (text at Annex B).

9. Moreover, the opinions to this effect expressed by M. Frederic Joliot-Curie, President of the World Peace Council, and by many leaders of the Movement, have always been faithfully reported in the Communist press. Quite recently, in January 1953, M. Joliot-Curie again declared:

"The point at issue is whether humanity will resign itself to ruin and devastation, the death of hundreds of millions of living beings, destitution for the survivors, the probable creation under these circumstances of monsters, and even the possible annihilation of all life on this planet".

10. To drive home this idea, the Communist Press and leaders did not hesitate to quote the opinions of scientists of every country and every allegiance.

11. The letter of Maurice Thorez is therefore likely to be received with incomprehension and astonishment, not only by the members of the Peace Movement and progressive organizations, but also by the active members of the PCP.

12. As is shown by the Lecœur affair in France, the divergencies among the Italian leaders (Congress of January 1955) and the purge of the Belgian CP (Congress of December 1954), a certain uncasiness reigns within several Communist parties in Western Europe. (It seems that the losing side has so far been the one advocating "sectarianism", i.e. those who are less keen on "widening the ranks", building up "a single front" and co-operating closely with the Peace Movement).

13. It is therefore not beyond the bounds of possibility that Moscow's new move will increase the existing tension and give rise to further perturbation.

14. On the other hand, it is possible that at a time when the failure of the fight against the Paris Agreements is liable to have a depressing effect in the Communist camp, Moscow has deemed it advisable to re-kindle the faith of its militant followers. A sentence of the interview given by Maurice Thorez to "Pravda" (21st March 1955) would seem to indicate this. Speaking of the fight of the French people "for peace and security", he affirms:

"The greatest danger for our people today would be to under-estimate the strength of the forces engaged in this struggle".

15. This sentence is a faithful echo of the words of Zhdanov in the report which he submitted in October 1947 to the Consultative Conference of Communist Parties in Warsaw:

"One of the greatest dangers threatening the working class today lies in the tendency to under-estimate its own strength and over-estimate that of the enemy".

16. This resemblance seems fairly typical. For the Soviet leaders, it is essential that there shall be no slackening in the triumphant march of Communism, for otherwise first the Soviet people and then the Communists of the other countries, would give way to weariness and refuse to make the sacrifices asked of them. In periods when the Soviet Union is weak (e.g. when they lagged behind in research on the atomic bomb in 1947) or has met with failure (e.g. Paris Agreements, 1955), it is imperative for it to harden its attitude and that of its militant followers by making much of its strength.

STOCKHOLM APPEAL FOR THE PROHIBITION OF ATOMIC WEAPONS

(March 1950)

"We demand the outright prohibition of atomic weapons as an appalling means of mass extermination.

"We demand the establishment of strict international supervision of the enforcement of this prohibition.

"We consider that the first Government to use atomic weapons against any country would be guilty of a crime against humanity and should be treated as a war criminal.

"We call upon all men of goodwill throughout the world to sign this appeal."

APPEAL BY THE WORLD PEACE COUNCIL

(Vienna 19.1.1955)

"Governments are today preparing an atomic war.

"They hope to persuade their peoples that such a war is inevitable.

"The use of atomic weapons would lead to a war of extermination.

"We declare that any Government which launched an atomic war would lose the confidence of its own people and would stand condemned by all mankind.

"We shall henceforth oppose whoever makes plans for atomic warfare.

"We demand that the stocks of these weapons be destroyed in all countries and that their production be stopped immediately."

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DECLARATION BY THE WORLD PEACE
COUNCIL ON ATOMIC WEAPONS

(Vienna, 28th-30th March, 1954)

"The explosion of the H-bomb at Bikini, its appalling consequences for human beings, the proven impossibility of controlling the extent of its range of action and the threats of its further use have roused the indignation of the whole world.

"The prohibition of atomic weapons first called for by the Stockholm Appeal and supported by hundreds of millions of men, has now become the demand of all peoples.

"It is not to wipe man off the face of the earth, nor to annihilate in one moment the fruits of the work of centuries that immense forces have been released by science, but to seek ways of relieving the present sufferings of man and of enriching his life.

"It is not only necessary but possible to outlaw atomic warfare. It can be done through an international agreement prohibiting all types of radio-active weapons and poisons. A system of international inspection and control should and can be set up.

"The peoples of the world must lose no time in demanding that their governments conclude an agreement prohibiting all weapons of mass destruction."

NATO SECRET

REPORT ON TRENDS AND IMPLICATIONS
OF SOVIET POLICY
DECEMBER 1954 TO APRIL 1955

PART I

1. Introduction: The events of the period under review have made it clear that the roots of the present phase of the power struggle within the Soviet hierarchy lie in problems of internal policy. The particular question around which the struggle now revolves is that of the inability of the collective-farm structure of Soviet agriculture simultaneously to fulfill the three demands which the leadership makes upon it: (a) to supply the current needs of the USSR, and, at the same time, to increase production to keep pace with the growth, and with the increasing urbanization, of the Soviet population: (b) to produce a surplus which can be traded abroad, or otherwise invested, in order to capitalize the continued forced development of heavy industrialization, and (c) over and above this, to produce a further surplus which can be placed in reserve for "emergency use". This reserve is deemed essential, as well against the possibility of war, as against that of future production short-falls resulting from the implementation by the Soviet leadership of measures which they regard as necessary to accomplish the "transition from socialism to communism".

2. Internal: At least two views exist within the Soviet leadership on what to do about solving this problem. The radical, or Left, view is represented by Khrushchev, who believes that the collective-farm structure should be transformed, more or less rapidly, into a system of "agro-cities", or state-owned and operated agricultural factories. The other, more cautious, or Right, view, is symbolized by Malenkov, who apparently believes that the collective-farm structure should not be tampered with at

this stage in the development of the Soviet economy, but should be made more efficient by means of a partial satisfaction of the growing demands of the rural population for industrial consumer goods.

3. The Left-versus-Right struggle on this issue is of long standing, and may go back as far as the end of the Second World War. It has found expression in a whole series of events in recent Soviet history, ranging, in all probability, from the death of the Politbyuro member and Party Secretary, A.S. Shcherbakov, in 1945, and that of A.A. Zhdanov, in 1948, through the "plot of the doctor-murderers" and the liquidation of Beria in 1953, to its most recent manifestation in the dismissal of Malenkov from the Chairmanship of the Council of Ministers of the USSR on February 8, 1955.

4. The recent emergence of Khrushchev, the present standard-bearer of the Left, as the strongest member of the Presidium of the Soviet Communist Party, does not, however, mark the end of the power struggle. The Left has won an important battle, but not the war. Apparently the contending factions, in an effort to find allies after Stalin's death, had turned to the high command of the Soviet Army, which consequently now is an important factor in the power equation. It is difficult to believe that the Army would welcome the implementation of the "agro-cities" scheme, which might produce a serious dislocation in the functioning of the Soviet economy. There are already some signs that new alignments are being formed within the hierarchy, and it is, in any case, unlikely that the present unstable situation can persist over an extended period of time. The Bolshevik Left must wish to consolidate its February victory and then move on to finish off the Right once and for all. If, as seems likely, the Army is reluctant to allow this process to go to its logical conclusion, it may be necessary for the Left to move first against it, leaving the final solution of the intra-Party struggle for a subsequent date.

In any event, the conclusion seems inescapable that further important personnel changes in the hierarchy must occur in the near future. Upon the further progress of the power struggle will depend the final decision of outstanding policy questions.

5. External: There is every reason to believe that the Soviet leadership does not want war at this time. It is too concerned, first with its own internal dissensions, and, secondly, with the crucial problem of its relations with the Chinese People's Republic, to wish to see the threat of general war increased. Nonetheless, "peaceful co-existence", as it was practised during the Malenkov interlude, has been all but abandoned, and the leadership is now talking in terms of the dangers with which the "capitalist encirclement" threatens the USSR and the Communist bloc. The revival of the theme of the "capitalist encirclement" appears to have been motivated primarily by a desire to prepare the Soviet and satellite subject populations for the period of renewed sacrifice and intensified economic effort which implementation of Khrushchev's Leftist policies will necessitate.

6. The substitution of the theme of the "capitalist encirclement" for that of "peaceful co-existence" obviously also contains important implications for the future course of Soviet foreign policy. It is unlikely that the leadership can make the threat of the "capitalist encirclement" fully plausible to the subject populations, without in fact pursuing a "harder" policy vis-à-vis the Free World. This conclusion is strengthened by what has become known of the current Left-Bolshevik attitude towards foreign policy, from Khrushchev's Prague speech of June 15, 1954, from the Moscow Conference of last November-December, and from Molotov's full-dress foreign-policy report to the Supreme Soviet on February 8th. It will be remembered that, at Prague, Khrushchev said: "Whenever we have announced our desire and will for peace with an honest heart, our enemies have interpreted it as a sign of weakness. ... The bourgeoisie [I.e., the Free World] only respects strength.

... it has always been clear to us that one must be strong in order to be able to co-exist with the enemy. ... We even beat the capitalist camp to it, and created the hydrogen bomb before they had it. And we, the Party of the Toilers, of the Working Class, we know what the worth of this bomb is. We know that the bourgeois politicians are idle babblers. ... They think they can scare us! But nothing can frighten us, because, while they may know what a bomb is, we know it just as well!" The general approach to foreign policy implied in Khrushchev's speech was fully developed by Molotov, in somewhat more "diplomatic" language, in his February 8th report.

7. At the same time, Soviet aims in Europe, and throughout the world, have not changed. In Europe, these remain: to prevent the effective inclusion of Western Germany in the Western defensive system, to disrupt NATO, to cause United States withdrawal from Europe, and, ultimately, to bring Germany and the rest of Western Europe under Communist control. However, it is now less likely than ever that Soviet foreign policy will involve a willingness to make concessions, even on minor points. It would seem that the Soviet Union's goal during the coming period will be to consolidate its military and geopolitical strength at home, in the satellites (including Eastern Germany), and in its zone of Austria, and to increase its influence wherever it can (Finland, Yugoslavia, India), while introducing throughout the Soviet orbit the new, Left, economic and social policies, which are implied in Khrushchev's rise to a position of primacy in the Party Presidium.

8. The prospects for Soviet foreign policy during the coming period, thus, are that it will be a good deal "harder" than it was during 1953-54. It is as yet impossible to say how far the Soviet leaders will be willing to go in their effort to increase the tension between the Communist and the Free Worlds. It is clear that they do not now want a general war, but the possibility should not be excluded that they might find peripheral engagements, of the Indo-China or Korea type, profitable.

9. The probable trends of Soviet policy in particular areas may be summarized as follows.

A. Europe

10. The Soviet Response to the Paris Agreements: The USSR will undoubtedly, as it says it will, respond to ratification of the Paris Agreements by creating a defensive alliance, with a unified military command, consisting of itself and its seven European satellites, and will also sponsor the formation of a subordinate Polish-Czechoslovak-East German alliance. The increase in the Soviet military budget for 1955 will, in all likelihood, be supplemented by comparable, if absolutely less impressive, increases in the budgets of the satellites. Following ratification of the Paris Agreements, the USSR will probably counter Western initiatives aimed at negotiations on the German question by insisting on Western agreement to the "neutralization" of Germany, and on the conclusion of a Soviet-style collective-security treaty for Europe, before it will agree to come to the conference table.

11. Germany: In preparation for the coming period of refusal to negotiate on Germany with the three Western powers, except on these prohibitive terms, the USSR has initiated an effort to establish direct Soviet-West German relations. If the Paris Agreements are ratified, it should be expected that this effort will be intensified.

12. Austria: The Soviet Union has made conclusion of the Austrian State Treaty dependent upon abandonment of the Paris Agreements, and will use ratification of the latter as a pretext for continued refusal to conclude the State Treaty.

13. Finland and Scandinavia: The USSR will continue its efforts to increase its economic and political influence in Finland. Pressure will probably be brought to bear, at the

appropriate moment, to win increased Finnish support for Soviet collective-security proposals. The Soviet goal of preventing the closer development of Scandinavian ties will be pursued.

14. Yugoslavia and the Balkan Pact: Soviet statements on relations with Yugoslavia now tend to emphasize the necessity of a more positive Yugoslav response to Soviet advances. Nonetheless, the USSR apparently intends to do nothing which might impel Yugoslavia to abandon its position of "neutrality" between the Communist and the Free Worlds, and commit itself definitively to the West. The USSR regards Yugoslav membership of the Balkan Pact as setting it apart from "aggressive military groupings" like NATO, SEATO and WEU.

B. The Far East

15. Relations between the USSR and the Chinese People's Republic: The Soviet Union has formally recognized the CPR as an equal partner and as co-leader of the Communist bloc. Nonetheless, there are signs that the Sino-Soviet nexus is by no means as harmonious as the two partners would have the rest of the world believe. The Chinese Communists seem to have a considerable amount of political leverage over their Eurasian ally. While the possibility of the development of points of strain in the alliance warrants constant attention on the part of the Free World, it would be rash to believe that anything remotely in the nature of a rupture is likely. Sino-Soviet cooperation in the international sphere promises both partners greater gains than either could win separately. As long as this situation prevails, there seems to be no likelihood of a breach between the USSR and Communist China.

16. Formosa: The full extent of Chinese Communist and Soviet intentions in the Formosa campaign is not yet clear. It would appear that the CPR and the USSR hope eventually to produce so great a divergence of view in the West over the issue of the

coastal islands as to compensate for the ultimate impossibility of the taking of Formosa by the CPR. Failure to get Formosa would probably not be accounted too damaging by Peking if the CPR were able, first to get the Quemoy and Matsu, by one means or another, and then to obtain membership of the United Nations in return for agreement to a cease-fire in the Straits of Formosa. It seems doubtful that the Chinese Communists would willingly content themselves with anything short of attainment of both these goals.

17. Japan: Both the USSR and Japan are anxious to find a form in which diplomatic relations between the two countries can be resumed, but it would seem that, despite agreement to "exchange views" on the subject in New York, there are important obstacles to the achievement of this goal. On the Soviet side, the chief of these is absolute unwillingness to discuss the important territorial issues which stand between the two countries. On the Japanese side, the Democratic Party may be reluctant, in the event, to enter into an agreement which could later be depicted by their political opponents as a "sell-out" of Japanese national interests. If diplomatic relations are nonetheless resumed, the USSR should be expected to press for Japanese recognition of the CPR, and to pursue with redoubled energy the campaign it has already launched aimed at the eventual "neutralization" of Japan.

18. Indo-China: The Communists seem content, for the moment, to await the elections in Indo-China, scheduled for 1956. However, failure of the CPR's Formosa campaign might impel the Chinese Communist leadership to revert to pursuit of a "forward" policy in this area.

C. India, Indonesia and Burma

19. India, Indonesia and Burma are regarded by the USSR and the CPR as countries which might, if handled properly, be converted into active allies. The Communists are consequently willing to go to considerable lengths in order to retain the good will of these Asian "neutrals", and to consolidate the political advantages

which have already been won among them.

20. The Bandoeng Conference: The Communist bloc expects to derive substantial advantages from the Afro-Asian Conference, scheduled to be held at Bandoeng, Indonesia, in April. Their main hope is no doubt that Prime Minister Nehru will take the lead in giving greater definition, cohesion and purpose to the "neutralist" group of Asian nations which will attempt to set the tone at Bandoeng. This would provide a powerful antidote to SEATO and other anti-Communist efforts now being made in South-East Asia by France, Great Britain and the United States.

D. The Middle East

21. Turkey, Iraq and Pakistan: The conclusion of a mutual-defense treaty between Turkey and Iraq is a substantial set-back to Soviet ambitions in the Middle East. The Soviet attitude towards Turkey, Iraq and Pakistan will doubtless continue to harden as the ties among these countries become increasingly close.

22. Iran: The USSR can be expected to do everything it can, short of armed intervention, to prevent Iran from entering the Turco-Iraqi-Pakistani alliance system.

E. The United Nations, Atomic Energy and Disarmament

23. The attitude of the USSR to the UN has hardened since the beginning of the CPR's Formosa campaign, and Soviet propaganda treatment of the organization is apparently reverting to something like that which was applied during the Korean War. Although the USSR has agreed to participate in the UN's Geneva Conference, scheduled for August, on peaceful uses of atomic energy, there is no reason to believe that it seriously intends to make a substantial contribution to, or play an active role in, any international scheme which may be produced there. It would not be surprising if the Soviet Union were to attempt to turn the Geneva Conference into a platform from which it could once again repeat its demand for an unconditional ban on nuclear weapons. The Soviet offer to establish an atomic-exchange program with Communist China and

certain of the European satellites, may be designed to serve, in this event, as "proof" that the USSR is ready, under the proper political conditions, to make a practical contribution on an international scale to peaceful atomic development, and thus to off-set Soviet refusal to enter the UN-sponsored organization. The Soviet disarmament proposals of February 18th, and Gromyko's actions at the inception of the London session of the UN disarmament sub-Committee, make it plain that the USSR now intends to treat disarmament only as a useful propaganda theme, rather than as a subject for meaningful negotiation.

F. East-West Trade and Underdeveloped Areas

24. With the end of "peaceful co-existence", it may be expected that Soviet trade with the West will more or less rapidly revert to the pattern which prevailed before Stalin's death. Purchases abroad of foodstuffs and semi-finished industrial consumer products will probably be reduced during the coming period. The Soviet attack on Free-World controls over trade with the Communist bloc is apparently being revived and intensified.

25. No substantial effort by the USSR to provide economic or technical assistance to the underdeveloped areas is to be expected, apart from that directed to such key regions of Soviet interest as India and Afghanistan. The Communist bloc will undoubtedly rely principally upon political approaches to the underdeveloped areas, of the sort which may be expected to be developed by the CFR at the Bandoeng Conference.

26. Conclusions: Ultimate Soviet aims remain constant from one period to another, although the tactical forms through which they are expressed may be altered significantly. The current prevalence of a Leftist domestic policy in Moscow is the expression of the engrossment of the Soviet leadership, for the time being, in an attempt to solve pressing economic and sociological problems at home. However, this attempt, while crucial for the future development of the USSR, is not an end in itself. It is calculated

to "consolidate positions already won", and to produce increased strength for the Communist "camp" against the day when it will once more move forward on the front of "international revolution".

27. Grave potential dangers to the non-Communist world are inherent in an attempt by the Bolshevik leadership at this stage in world history to apply radical solutions to their domestic problems. The Soviet Union, and the European bloc which it controls, is a rigid monolith, with little tolerance for the economic, social and political give-and-take which is the characteristic of free societies. Consequently, if it should ever appear to the Soviet leadership that their power, and the ultimate preservation of the edifice which they have erected, were vitally threatened by gross failures at home, the possibility could not be excluded that they would yield to the temptation to engage in "revolutionary" adventures abroad, in an effort to rally the disaffected subject populations and divert their attention from the miseries which Communism had visited upon them. This is no doubt only a danger over the long run, but the advent to power in Moscow of a Left-radical leadership group renders it nonetheless a possibility to be reckoned with.

28. The threat to the Free World has in no way diminished. Signs of serious Western weakness or division might, indeed, even convince the Soviet leaders that it would be worthwhile to postpone the solution of the critical internal problems which confront them, in favor of a revival of a "revolutionary" foreign policy in Europe, such as they pursued in 1946-48.

PART II

I. Introduction

29. The assumption of this Report is that the Soviet Union is entering a new, Left, period. This is the conclusion which appears to flow from the events of early February in Moscow. It should be accompanied, however, by one all-important caveat. The power struggle continues in the Kremlin. The Army now has a hand in the game, and it is difficult, if not impossible, to believe that it will relish the prospect of the adoption and execution of the Left line which Khrushchev represents. The Bolshevik Right still hovers in the wings. Before the Left can make its radical policy fully operative, it must dispose of these two adversaries, actual and potential. In that process, almost anything can happen. The West would be wise to expect and prepare for the worst, but it should not altogether exclude the possibility of agreeable surprises.

30. The events of the period under review have made it clear that the roots of the present phase of the power struggle within the Soviet hierarchy lie in problems of internal policy. It is, of course, impossible, in the case of the Soviet Union, completely to separate domestic from foreign policy, all the more so since the Soviet leaders themselves regard the two largely as facets of a whole, and are committed to a belief in the "unity of politics". Questions of foreign policy undoubtedly played an important part in the differences which culminated in Malenkov's dismissal, but the principal lesson of the February events seems to be that the present phase of the Soviet power struggle revolves around the different views held within the Party pinnacle on the question of what to do about the fundamental lack of viability of the collective-farm system of agriculture in the face of rapidly increasing demand.

31. This question is by no means the only one which must be

solved* if the USSR is to maintain a rate of economic growth which will permit it to continue to challenge the Free World. It is, however, the key to the solution of all the other problems which beset the Soviet leaders. The nature of the attempt to solve it will condition, to a large extent, the nature of efforts in every other sphere of the economy, as well as in foreign policy.

32. The dispute over the agricultural problem** is the direct descendant of a long line of political quarrels of a sort which is endemic in Russian Bolshevism, and, indeed, in Marxism from its inception. These quarrels all spring from a basic ambivalence in Marxism: its combination of a voluntaristic socio-political gospel ("Workers of the World, unite; you have nothing to lose but your chains!"), founded on a millennial conception of world history, with a serious attempt to analyze the sociological organization and

* Or at least palliated, since its definitive solution within the Soviet system as at present constituted is possible only in Marxist theory, but completely impossible in rational economic practice.

** As the problem of what to do about the failure of collectivized agriculture, in its present form, may be called for short. It should be stressed that the form in which the problem presents itself to the Soviet leadership is not that of insufficient agricultural production per se, of a simple "agricultural crisis", as it has been termed by Western journalists. The basic assumption which is common to all the parties to the dispute is that Soviet agriculture, as now organized and operated, does not produce enough to support a growing economy, and a fortiori, altogether lacks the capacity to supply the needs of the rapidly growing, and increasingly urbanized, population of the USSR, thirty, or even ten, years from now. The dispute, starting from this common ground, revolves around what to do about the situation.

economic functioning of nineteenth-century Western European (principally British) capitalism. The first element in this combination is epitomized by Marx's second and eleventh Theses on Feuerbach: "In practice man must prove the truth", and "Philosophers have only interpreted the world differently: the point is, however, to change it". The second is developed most succinctly by Marx in his preface to "A Contribution to the Critique of Political Economy": "No social order ever disappears before all the productive forces, for which there is room in it, have been developed; and new higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society. Therefore, mankind always takes up only such problems as it can solve ... ". The implication of the first tendency is that Marxists should undertake a conscious and vigorous effort, in the face of any and all practical difficulties, to re-make the world closer to heart's desire. The implication of the second is that one should wait upon the progress of history, until the new world - communism - has matured in the womb of the old by a process of evolution; the "revolution" would thus only be a matter of short-lived "birth pangs".

33. The Bolsheviks have consistently stood on the ground of the first, or "voluntaristic", tendency, and have at every step of the way rejected the second, or "mechanistic". Lenin's polemics against Plekhanov, the Economists and the Mensheviks were fundamentally directed against their inclination to adopt an "evolutionary" attitude. The October Revolution was a "socialist" revolution, although Russia had hardly finished with "feudalism", much less evolved into full-fledged "capitalism". Stalin successively fought, and downed, Trotsky, Bukharin, Zinoviev, Rykov, and the other "left" and "right" oppositionists, because they all, in one form or another, held that Russia, alone and unaided, could not hope to achieve "socialism". Trotsky and the Left proclaimed the indispensability of aid by the proletariat of the more advanced Western countries.

The "right" oppositionists wanted to wait for the achievement of a great deal more "abundance" in domestic production than Russia had ever had before. The effect of both oppositions was thus to pose impossible practical conditions for the realization by Soviet Russia of the Marxist millenium.

34. This sort of problem cannot fail to plague the Bolshevik leaders as long as the Soviet Union exists. On the one hand, "socialism" has been "achieved" in the USSR by fiat. On the other, the "progress of history" is proclaimed by Marxism to be a law of nature, and world powers cannot in any case stand still. Consequently, "communism" must sooner or later be achieved, in one form or another, at whatever cost, or the whole structure of the "socialist state" must come tumbling down.

35. The question of the ways and means of achieving "communism" was formally placed on the agenda by the Soviet hierarchy at the XVIIIth Party Congress in 1939. It is now evident that no acceptable answer to it has yet been found. There is apparently general agreement among all the members of the Bolshevik leadership that the first step on the road to "communism" consists in "raising collective-farm property to the level of all-national property", for the momentum of industrial growth cannot be maintained without breaking the back of the last surviving element of resistance to "socialism" - the collective-farm peasantry, which, under present organizational dispositions, cannot successfully be coerced into producing more without an adequate return for its labor.

36. The existence of this problem has given rise to two tactical approaches within the Party leadership. One group -- the rightful heir to the Left voluntarism of Stalinist collectivization and heavy industrialization -- has a ready answer to the question of transforming the present "cooperative" agricultural system into a fully "socialist" one: smash it, more or less quickly, and create in its place "agro-cities": agricultural "factories", operated by an agricultural "proletariat". This solution is ideologically

impeccable; it derives directly from Engels' "Principles of Communism" of 1847. The other group - more conservative - would first take the time to create what it regards as the proper pre-conditions for the transformation, even if that should mean ten, twenty, or more years, of piecemeal attempts to increase agricultural production within the present organizational framework. If the Left has ideological purity of doctrine and the "voluntaristic" tradition of Bolshevism on its side, the Right has common-sense, the interests of what has already been achieved by the established order, and Bolshevik caution* on its.

37. The problem is enormously complicated for the Bolshevik leaders by three factors.

38. The first is the fact that they are unable to gauge with any real accuracy the reactions of the people to the implementation of new policies. Upwards of thirty years of total political suppression have succeeded in conditioning the subject peoples to uncomplaining apparent acceptance of their lot. The near-rebellion which was produced by collectivization, and the mass desertions - in some cases of whole army corps - which marked the inception of the German-Soviet war in 1941, must bulk very large in the minds of the Soviet leadership, however. The fright which Stalin's death evoked in his heirs, causing them to warn against the development of "panic and disarray", shows that they deeply believe - whatever the real state of affairs may be - that they are sitting on a volcano. And, in fact, there is certainly good reason to wonder whether, after thirty-eight years of more or less unrelieved chaos, war, penal exile, administrative murder, and short commons, the peoples of the Soviet Union would passively accept yet another

* " ... an offensive without the positions already captured having been consolidated is an offensive that is doomed to failure" - Stalin.

major upheaval in their lives, which are sufficiently joyless under the best of circumstances.

39. The second factor is the development of a stable social order and the total bureaucratization of the Soviet state and society in all their aspects. Vested interests have been created which are clung to jealously by those whom they benefit. The new bureaucracy, the intelligentsia, the managers and the Army, all have a stake in the maintenance of things as they are, and in "progressing" towards "communism" along the most gradual of possible routes.

40. The third factor is the shape of power in the Soviet Union. It is concentrated in the hands of not more than 235 men: the members of the Central Committee of the Soviet Communist Party. Over all the decisions of the Central Committee, the nine members of its Presidium have a virtual strangle-hold, since they alone formulate and sponsor new policy directives. All power and responsibility reside in this pinnacle, and there is no way in which the fundamental interests of wider circles of the population -- let alone of the "masses", in whose name everything is done -- can be brought effectively to bear upon the supreme wielders of power. Consequently, every major policy decision becomes potentially a matter of life or death for those engaged in taking it. In democratic societies, diffusion of power means diffusion of responsibility, and the unsuccessful political leader is deposed by his party's caucus, by parliament, or, ultimately, by the electorate, and is permitted to retire from the field with his skin intact. In the Soviet Union, concentration of power means concentration of responsibility, and since the maintenance of the whole structure depends upon correctness of policy decision, the introduction and implementation of incorrect policy can only be compensated for by ascribing "treasonable" motives to its sponsors, by isolating the putatively "guilty" policy-makers, and by subjecting them to "the highest measure of social punishment: shooting". As a result, questions of policy and of

political tactics cannot be openly discussed and decisions arrived at by a meeting of minds. The introduction of new policy involves a struggle in the dark between the innovators and those who oppose them, in which each side puts forward its arguments in set phrases from the Marxist-Leninist lexicon, designed to conceal the essence of the dispute from the uninitiated. The proponents of new policy, if they are unable at the outset to win a clear-cut victory for their approach, must furtively introduce and implement their innovations, in order to demonstrate the correctness of the latter ("In practice man must prove the truth"), and to win approval for them within the Party pinnacle.

41. The Soviet system cannot function properly without a supreme arbiter, who represents in his person the collective "wisdom" of the Party and of the "masses", and who promotes, now the representative of this tactical approach, now the spokesman for that. If Comrade A's suggestions do not bear fruit, he must be got rid of, and Comrade B given a chance to show the justice of his claim to a greater share of "Marxist-Leninist prevision". This was Stalin's function. So he did, for example, with the People's Commissars for Internal Affairs during the great purges of the latter 1930's: Yagoda, Yezhov and Beria succeeded each other as the previous headsman failed to guess correctly the line which the master would wish him to take. So with Shcherbakov, Malenkov, Zhdanov, and Malenkov again, as the problem of post-war policy became acute in 1944-48. Over all, Stalin held the ultimate power of final decision, the power of life or death.

42. Stalin died, but the factional struggle continues. In it, the Left is surely ideologically and historically correct, from the Bolshevik point of view. The Right would apply palliatives to problems which cannot be palliated. The fact is that the Soviet Union and all its satellites, taken together, cannot, under the present system of economic organization, produce enough to satisfy

simultaneously all the needs of all the subject peoples, and at the same time produce the surplus necessary for the accumulation of the "abundance" which is the prerequisite for "communism". Palliatives may retard, but cannot cure, the malignancy of this cancer of the bone.

43. Moreover, the palliatives of the Right - relaxation of pressure on the collective farmers more consumer goods for the urban population - are not merely ends in themselves. They complicate immeasurably the problem of the "construction of communism", for they lead the people to relax, to expect more of the same, to hope for an end to privation, and eventually, really to expect a rise in the standard of living. Since the total available production is not sufficient fully to satisfy present needs - let alone provide the requisite surplus for continued forced economic growth and the "abundance" necessary for the "transition to communism" - fundamental changes must be made in the system. The Right sees only that relaxation is necessary before it is possible seriously to entertain the thought of new upheavals, in preparation for the next upsurge towards "communist society". What it does not seem to see is that such a relaxation might make a new upsurge impossible.

44. Still more, a continuation of the "new course" of relaxation would have the effect of permitting the further hardening of the "cake of social custom". The longer the new middle classes enjoy their vested rights, the less they can like the thought of relinquishing them in order to venture once more into the chaos of "struggles", "campaigns", "all for the economic front", and "offensives all along the line", which the "construction of communism" will demand.

45. The implications of all this for Soviet foreign policy are considerable. Since policy is a whole, and domestic and foreign policy merely facets of a unit, the adoption of a particular foreign policy by the Soviet Union depends intimately upon the

domestic policy which is to be pursued. During a period of "stabilization of world-political forces", the USSR can afford a policy of relative amiability towards the outside world only at the cost of domestic relaxation. "Peaceful co-existence", which is the doctrinal formulation for such a policy, presupposes a relationship of balance of power between the Communist and the Free worlds. Since the Soviet Union clearly indicates that it has no immediate intention of attacking the outside world, the maintenance of an armed peace is possible.

46. When the period of the "stabilization of forces" ends, however, the Soviet Union must adopt a "hard" policy. This may be limited to the creation of a "deep-freeze" relationship between the two opposed "camps" of "socialism" and "capitalism", or it may extend to the fomenting of "revolutionary" disorders by the USSR in the Free World (as during the "forward" period of 1946-48). The choice between these alternatives, and among all the many variants of them, depends upon the analysis by the Bolshevik leadership of its strength relative to that of the non-Communist world.

47. The Bolshevik analysis of the "stabilization of forces" between the two "mortally inimical camps" is not restricted to an analysis of the strength of the adversary alone, but is based upon a careful calculation of Soviet strength, as well. When the Soviet Union enters a period of potential or actual internal weakness, it can choose either "peaceful co-existence" or a "hard" foreign-policy line, depending upon the nature of the weakness. During 1950-54, the struggle within the hierarchy was an element of weakness in the Soviet position vis-à-vis the outside world, but, since this weakness could be compensated for by the application of a policy of "peaceful co-existence", the absolute international-political strength of the USSR was not materially affected. The Soviet economy continued to function as normally as it ever does, and the growth of Soviet military might continued to insure security against

the fear of attack by the "capitalist encirclement".

48. When, however, a domestic policy is introduced which may be thought likely to produce unfavourable reactions among the subject populations, a "hard" policy is necessary. The level of tension within the society must be raised in order to produce the necessary additional effort on the part of those engaged in production, and to justify the sacrifices which the people must be coerced into making. This was the lesson which the Soviet leaders derived from the Great Purges, during which Stalin fabricated "plots" between the "oppositionists" and the German, Japanese, British, etc., General Staffs, as "proof" that the Soviet Union was imminently menaced by the "capitalist encirclement". It has already been applied once -- abortively, as it turned out -- by the Left, when it formulated the "plot of the doctor-murderers" in January, 1953, and would seem to be the inevitable accompaniment of a "hard" domestic policy.

49. This does not mean that the Soviet leadership believes that war is now imminent, or that it is ready to engage in provocative moves against the Free World. At the inception of the present Left period, in February, 1955, the dominant leaders took some pains to explain to Western journalists that they desire to "improve relations" with the West, and the Supreme Soviet launched an appeal for inter-parliamentary visits. These are undoubtedly perfectly sincere expressions of the reluctance of the Soviet leadership to contribute, in fact, to the development of a situation which could cause the West to believe that the USSR was preparing to go to war. They are designed to offset somewhat the anxiety produced in the Free World by the sudden switch in policy, and, more specifically, by the bellicose propaganda against the "capitalist encirclement" which is essential to justify the switch to the subject populations.

50. But the world situation in 1955 is no longer what it was in 1935. The "two camps" are in much more intimate contact now

than they were then, and the actions, and even the words, of the one has a more immediate and powerful impact upon the other. The Soviet Union is now an indispensable participant in the international-political process, and pressing problems cannot be solved without its agreement.

51. Concessions by the Soviet Union to the Free World, or any part of it, are, however, even less likely than usual during a Left period, since they would belie the contention that an imminent threat is posed by the "capitalist encirclement" to the peace of the Soviet Union and of the world, and thereby undercut the indispensable impetus which this line gives to the process of controlled political and economic change within the USSR. This propaganda theme is the only one in the Bolshevik bag of political tricks which is really capable of producing an effect, since the peoples of the Soviet Union fear war, after their experience of the last one, worse than anything else.

52. In order to give the necessary content to this theme, therefore, the Soviet Union will have to pursue a "hard" line abroad, while taking constant care not to go too far. Successful execution of this tight-wire act will probably not be easy for the Soviet leadership, but it is essential that they perform it if they wish to implement a Left policy at home.

II. Internal

A. The Issue Behind Malenkov's Dismissal

53. The nature of the issues underlying the power struggle in the Soviet leadership has been clarified by the dismissal on February 8th of Malenkov from the Chairmanship of the Council of Ministers of the USSR, and by the events which led up to this crisis.

54. The immediate issue in the crisis is presented by Soviet propaganda media as a disagreement on the emphasis to be given to the tempo of heavy-industrial development. Khrushchev

is made to appear as the defender of the Stalinist precept that the forced development of heavy industry is a "law of socialism". Although he has not yet been specifically named in this connection, Malenkov is made to appear as favoring a shift of capital investment from heavy to light industry, with a consequent reduction in the rate of growth of the former.

55. This presentation of the issue, however, is misleading. At no point in the ideological presentation of Malenkov's "new course" by Soviet leaders and publicists, was it proposed that the rate of growth of heavy industry be allowed to diminish significantly, in favor of an increase in the rate of growth of light and food-products industry. It was, rather, claimed that it was possible to combine an increase in the rate of growth of consumer-goods industry with the maintenance of roughly the prevailing rate of growth of heavy industry.

56. The heavy-versus-light industry issue seems to have been put forward to conceal a much more fundamental and real divergence of views in the leadership: that over agricultural policy. A comparison of the program announced for this sphere by Malenkov in August, 1953, with that developed by Khrushchev since February-March, 1954, shows the following differences.

57. Malenkov proposed an increase in the material incentives offered to the collective-farm peasantry through the lowering of taxes and of procurement quotas on both collective-farm, and individual, production and holdings. He would have attacked the livestock problem by encouraging the peasants, as individuals to acquire and raise livestock on a private basis. Emphasis in the sphere of grain production was on raising productivity per hectare in the old agricultural lands. In any case, the USSR was "provided for in grain".

58. Khrushchev, on the other hand, put the emphasis on strengthening the Machine-Tractor Stations (MTSS), the agents of Party economic and political control in the countryside, and on

on raising the quality and authority of collective-farm directors and local Party and governmental agricultural-control agencies. State farms (sovkhozes), rather than collective farms (kolkhozes) were described as the most reliable sector of the agricultural economy, and as particularly suited for livestock raising. Far from being "provided for in grain", the USSR was in urgent need of vastly increased grain harvests (an additional 20 million metric tons in state procurements and purchases alone, was declared necessary by the end of 1955, and an additional 164 million metric tons by the end of 1960). The raising of productivity in the old agricultural areas was so little capable of providing the increase as hardly to be worth talking about. The increase could only be assured by the assimilation of vast tracts of land (28-30 million hectares) in Kazakhstan, Western Siberia and the Trans-Volga regions. This in turn necessitated the migration into these areas of hundreds of thousands of people from European Russia, and the expedition thither of all the new agricultural machinery being produced. The overwhelming majority of the migrants were, however, not to be recalcitrant collective farmers from the old agricultural areas, but newly trained agricultural specialists and young people from the urban areas, and the enterprises they were to found were to be state, and not collective, farms.

59. Those young economists, who have been accused by Khrushchev and his supporters of favoring the development of light and consumer-goods industry in violation of the "Stalinist law of the forced development of heavy industry", have been described as "right capitulators" of the Bukharin-Rykov stripe. However, in the Stalinist version of Soviet history, Bukharin and Rykov were not guilty of opposition to heavy industrialization alone. The root of their deviation is alleged to have been their defense of the kulaks in the latter's opposition to collectivization. This "kulak soul" of the Bukharin-Rykov right opposition led it to oppose the development of heavy industry as a logical consequence of its

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opposition to collectivization. For Stalin could achieve the "primitive socialist accumulation" of sufficient capital to permit the successful prosecution of the policy of forced heavy industrialization only by expropriating the kulaks and driving the peasantry into the collective farms.

60. The crucial problem of the Soviet economy, moreover, lies not in the industrial sphere, but in that of agriculture. Soviet heavy industry has continued to grow, more or less successfully, since the inception of the industrialization drive in the early 1930's. The situation is very different in agriculture, which has stagnated at a relatively low level since the completion of collectivization, and which has never regained the level of productivity reached under the New Economic Policy in 1927-28. Meanwhile, demand for agricultural products has grown with the increase of population (the current rate of net growth is claimed to be three million a year) and the urbanization of the Soviet Union. In order that industrial growth may continue, it is necessary to increase the production per capita of the peasantry, so that the basic demands of the growing urban population can continue to be met at least at present levels. It would also, of course, be desirable to satisfy the need of a more varied diet, for the urban population, principally by increasing the availability of sources of protein and fats (meat and dairy products).

61. The Bolshevik leadership is faced with a dilemma. In order to increase agricultural production within the present economic structure without running the risk of a crippling inflation, it is necessary to satisfy the demand of the rural population for industrial consumer goods. However, this would require a diversion of investment funds from heavy, to light, industrialization, and would slow down the rate of growth of the former. Meanwhile, the Soviet Union, instead of "overtaking

and surpassing" the West in basic industrial production, would fall even farther behind it.

62. In Bolshevik theory, there is, however, another way in which per. capita agricultural productivity can be increased. That is by "raising collective-farm property to the level of all-national property". By eliminating the last peasant rights in the land, the collective farmers' private garden plots, the substitution of a system of state farms for the existing collective-farm structure would increase the area of land available for state use. It would also reduce the number of agricultural workers needed to cultivate the land now disposed of by the collective-farms, since the collective-farm peasant spends as much of his time as possible working his private plot to the neglect of the collectivized fields. It would thereby release a further supply of rural manpower - and there is now no surplus labor available in the USSR - for the industrial labor market, and increase the surplus of agricultural products available for urban consumption. Since the state farm-worker's wage is his only source of income, and can be made directly dependent upon the amount of time he works on the state's fields, and upon his productivity, he is more likely to be amenable to economic pressure than the collective farmer, with his cow, his chickens, his pigs and his truck garden.

63. The rationale of the "agro-cities" scheme is that it would accomplish this transformation. Two pre-conditions are necessary, however. The first is mechanization of agriculture, and the second, a period during which the state would be relatively independent of the production of the collective farms.

64. The continuing mechanization of Soviet agriculture depends upon maintenance of the present rate of growth of heavy industry. It would only be otherwise achieved at the cost of the USSR's armaments program.

65. The state must be assured of relative independence of collective-farm production for a period of several years before it can embark on the transformation of the collective-farms into state farms, because otherwise it risks a repetition of the famines which accompanied the collectivization program of the early 1930's. The Soviet leadership fears that the collective-farm peasantry, faced with the threat of being forced into the "agro-cities", would go on strike as it did then. It is consequently necessary, both to build up stocks sufficient to tide the Soviet economy over the period of transformation, and to construct sources of supply which would serve as alternatives to the collective-farm sector. These must be state farms.

66. The Khrushchev revision of the "new course" has been accompanied by a growing emphasis on the need to mechanize agriculture. The Ministries responsible for the production of agricultural machinery have come under increasingly heavy fire from the Party for their insufficiencies. This theme has been given still greater emphasis since the dismissal of Malenkov.

67. The program to assimilate 28-30 million hectares of virgin and fallow land in Kazakhstan is the first step along the road to realization of the "agro-cities" scheme. The purpose of the additional grain production which the state grain factories of Kazakhstan, Western Siberia and the Trans-Volga regions are to supply, is to replenish state stocks of grain and other products, depleted during the year-and-a-half of the "new course", and build them up to a point at which they would provide a guarantee against a failure of production in the old agricultural areas, during the effectuation there of the "agro-cities" scheme. The state grain factories which are being constructed in the areas of assimilation of new land are themselves nascent "agro-cities", and will constitute an alternative source of supply to the collective farms.

68. Khrushchev's agricultural program is a veiled attempt to create the pre-conditions for the realization of the "agro-cities" plan, and, eventually, for the transformation of Soviet agriculture into a fully "socialist" sector of the economy.

B. The Left and Right Tendencies within the Party Leadership

69. It is now fully apparent that these fundamental differences within the Soviet leadership on the basic question of agricultural policy, with its far-reaching repercussions in every sphere of policy formation, have not arisen only since Stalin's death. They reach back well beyond that date, no doubt at least to the end of the Second World War.

70. It is significant that, during the culminating phase of the present crisis in December, 1954, and January, 1955, Khrushchev had his name coupled in the Party press with those of A.S. Shcherbakov and A.A. Zhdanov, and that at least one prominent Zhdanovite, Colonel-General I.V. Shikin, purged after Zhdanov's death, re-emerged during this period (December 31, 1954).

71. No specific policies are connected with Shcherbakov, who, however, had the reputation of being an anti-Semite, and whose place in the Party Secretariat was assumed by Malenkov when Shcherbakov died suddenly in 1945. Zhdanov, of course, was responsible for the Kulturkampf which the Party waged in the post-war years, with its "anti-cosmopolitan" theme and anti-Semitic overtones, and is identified with the "revolutionary", or "forward", policy pursued in Europe by the Soviet Union during 1945-48 ("Cominform"). Zhdanov, long Stalin's heir-apparent, died suddenly in August 1948, one month after it had been revealed that Malenkov had regained the post of member of the Party Secretariat from which he had been dropped in 1946.

72. The Shcherbakov-Zhdanov-Khrushchev line of succession seems to represent a Leftist, radical-Bolshevik, element in the leadership. It suffered a serious set-back in 1948 with the

death of its then leader, Zhdanov. This was not, however, the end of the Bolshevik Left. In 1950, Khrushchev came forward with his plan for the consolidation of the collective farms and the program was carried through, the number of kolkhozes being reduced between 1950 and 1952 by more than half. This consolidation, however, seems in fact to have been limited to an administrative re-grouping of the farms, and not to have extended to real physical amalgamation.

73. In 1951, Khrushchev put forward his "agro-cities" plan, which, however, was quietly dropped after it had been attacked by Bagirov of Azerbaidzhan and Arutinov of Armenia, two of Beria's plotters. Beria, therefore, seems to have been allied with Malenkov in the moderate, or right-Bolshevik, camp.

74. Stalin appears to have made some effort to balance Right and Left during the XIXth Party Congress in October, 1952. On the one hand, he threw a sop to the Left in his "Economic Problems of Socialism in the USSR", by proclaiming the ultimate necessity of "raising collective-farm property to the level of all-national property", i.e., of turning the collective farms into state farms, which was precisely the goal of the "agro-cities" scheme. On the other hand, Stalin supported the Right by warning that this transformation would be possible only over an extended period of time and must take place gradually. Stalin also attacked by implication the Left "voluntarism" of Voznesenskiy, Zhdanov's lieutenant and the chief ideologist of the Left who had been purged from the Politbyuro following Zhdanov's death.

75. The organizational measures adopted by the XIXth Congress seem to have been calculated to palliate the Right-Left struggle by filling the central Party organs with "Old Bolsheviks" and other "neutrals", whose task it no doubt was to arbitrate between the two extreme factions. In the event, however, when Stalin died, it was found that his arbitral function had died with him.

76. Despite these efforts to moderate the difference between Left and Right, the Right seems to have been strengthened by the XIXth Congress. Malenkov felt strong enough to deliver open attack on the "agro-cities" scheme in his report, on behalf of the Central Committee, to the Congress. Moreover, he cast this attack in the form of an accusation that sponsors of the "agro-cities" plan were motivated by the desire to favor the consumption needs of the collective-farm peasantry, to the detriment of their agricultural productivity. In December, 1954, and January, 1955, it was Malenkov who was accused, this time by the Left, of favoring consumption (light industry) at the expense of production (heavy industry). It is obvious that this issue is a favorite one for use in intra-Party polemics as a cover for more fundamental policy differences.

77. The improved position of the Right following the XIXth Congress enabled it to continue its attack upon the Left. On December 24, 1952, M.A. Suslov, a Secretary of the General Committee, and a full member of the enlarged Presidium of the Party, published an article in Pravda which followed up Stalin's oblique condemnation of Voznesenskiy by specifically denouncing the latter's book on the Soviet economy during World War II as "anti-Marxist" and as the source of "false subjectivistic [i.e., voluntaristic] views in the sphere of the political economy of socialism".

78. A measure of the rapidly increasing deterioration of the position of the Left is provided by the length to which it had to go in order to fight back against the gains which the Right had won at the XIXth Congress. The "plot of the doctor-murderers", who were accused of having murdered Zhdanov and Shcherbakov, and of having planned the murder of Marshals A.M. Vasilevskiy, L.A. Govorov, I.S. Koniev, General S.M. Shtemenko, Admiral G.I. Levchenko, "and others", seems to have been aimed primarily against Beria, with the goal of depriving the Right altogether of the use of the secret police.

79. The struggle for the police had been going on for a long time. Viktor G. Abakumov, Minister of State Security and a Malenkov man, had been forced out of his post in 1951, and this had passed into the hands of Semyon D. Ignatyev, who was subsequently accused of complicity in framing the "doctors' plot", but who re-emerged in early 1954 as one of Khrushchev's oblast Party secretaries.

80. The "doctors' plot" represented a mortal challenge to the Right. Its strongly anti-Semitic overtones - indeed, it held within itself the threat of something approaching a pogrom - smacked strongly of the heritage of Shcherbakov and Zhdanov. It would seem to have failed to achieve its goal - that of striking down Beria and isolating Malenkov - only because Stalin died fortuitously before its logical consequences could be realized.

81. Following Stalin's death, a compromise was apparently reached between Left and Right. A part of the price for this was, however, Malenkov's loss of the post of First Party Secretary, and its assumption by Khrushchev, who thereby finally emerged as standard-bearer for the Left.

82. The course of events since the summer of 1953 seems plain. The liquidation of Beria was a significant victory for the Left. Following it, the Left won increasing areas of power and authority at the expense of the Right. The first of these was that of agricultural policy, into which Khrushchev was able, a scant five months after the announcement by the Right of the "new course", to introduce changes which, in effect, reversed the entire direction of the Rightist effort. The contrast between the Left and Right lines in agriculture has already been noted. The result of the February-March 1954 agricultural decisions was little less than the abandonment of Malenkov's policy of relaxation of pressure on the collective farms in the old agricultural areas. Instead, a new, great effort was undertaken to construct great state grain farms out of nothing in semi-arid and relatively infertile areas

of the Soviet Union.

83. It is not necessary to pursue in detail the gradual accumulation of strength by the Left over the past eighteen months. It is apparent that the last major area to come under its control was that of foreign policy. Khrushchev's Prague speech of June 15, 1954, sounded the key-note for changes in foreign policy which were only given full effect six months later, beginning in the middle of November. The Right still possessed enough power in this sphere during the summer of 1954 to be able substantially to censor the Prague speech when it appeared in Pravda on June 16.

84. The Left-Right struggle took on critical proportions during December, 1954, and January, 1955. For the first time since Stalin had succeeded in establishing his dictatorship over the Party, Pravda and Izvestiya published articles which expressed diametrically opposed points of view, the former insisting on the primacy of the importance of heavy-industrial development, while the latter continued to propagate Malenkov's "new course" in the terms in which he had put it forward in August, 1953.

85. On December 19, Abakumov and five other secret-policemen were shot after a trial in which they were accused of having fabricated the "Leningrad case" of early 1949. In the "Leningrad case", important Zhdanovites and associates of Voznesenskiy had been purged (Voznesenskiy himself may have been tried in this case, as well as his brother A.A. Voznesenskiy, Rector of Leningrad University, and two former Leningrad Party secretaries, P.S. Popkov and A.A. Kuznetsov). The liquidation of Abakumov was a heavy blow at the Right.

86. On the eve of the opening of the Central Committee Plenum of January 25-31, 1955, the editor of Pravda, D.S. Shepilov, published an article in that newspaper attacking some obscure young economists, who had developed a theoretical justification for the emphasis upon consumer-goods industry which was a constituent part of Malenkov's "new course". Shepilov called them

"rightist restorationists" i.e., restorers of capitalism; it will be remembered that Beria was accused, in the indictment on which he stood trial in December, 1953, of having plotted to restore capitalism in the USSR.

87. On the opening day of the Central Committee Plenum, Khrushchev delivered a report in which "some comrades", who had allegedly maintained that "light industry can and must out-strip all other branches of industry", were characterized as guilty of right-wing deviationism and of having propagated views, hostile to Leninism, of the sort "which were once propagated by Rykov, Bukharin and their ilk".

88. The current phase of the struggle between Left and Right culminated in the Central Committee Plenum of January 25-31, and in the dismissal on February 8 of Malenkov from the post of Chairman of the Council of Ministers of the USSR.

C. The Significance of the February, 1955, Changes in the Leadership

89. The changes in the leadership effected at the Supreme Soviet session on February 8, 1955, signify a new and important victory of the Bolshevik Left in its struggle to dominate the Communist Party of the Soviet Union and the Soviet state. This victory is not, however, definitive. That is clearly shown by Malenkov's retention of his membership of the Presidium of the Central Committee of the Party, and by his continued presence in the Government. Although the Bolshevik Right has been defeated on important policy points - agricultural and foreign policy being the two most prominent - the result of the January Plenum of the Central Committee was only a new compromise in the continuing Right-Left struggle. The conflict is not likely to end until either Right or Left is fully victorious, and has physically destroyed its opponents, or until they destroy each other and leave the state power in the hands of a third group.

90. At the moment, the chances of the Left look very good. It controls the Party, and can proceed to place its men in responsible positions in both the Party and state apparatuses. It has the decisive voice in matters of domestic economic policy, and has reversed the "peaceful co-existence" line in foreign policy. It will presumably try to consolidate rapidly the gains it has won, and attempt, rather sooner than later, to finish off the Right once and for all.

91. The fact that the February victory of the Left was not definitive indicates that the Soviet Communist Party no longer possesses the absolute monopoly of power which it held in Stalin's day. It is, of course, possible that a group of members of the Party Presidium is playing a mediating role between the Right and Left extremes in the leadership. But it is difficult to believe that it could do so single-handed. This raises another possibility: that an extra-Party force has been called in as a make-weight by one of the extremes. On present evidence, that force could only be the Soviet Army.

92. This hypothesis is strengthened by the fact that Khrushchev nominated Bulganin to succeed Malenkov as Chairman of the Council of Ministers of the USSR, and by the appointment of Marshal Zhukov to the post of Minister of Defense. Bulganin is not to be regarded as a representative of the Army. He is a professional Party leader, and, as the Party's political commissar over the Army command, can hardly have won the latter's loyalty and respect. He had earlier in his career been a subordinate of Khrushchev, however, and may have served as go-between to win Army support for the Left. The fact that prominent members of the Army command were named as intended victims of the "doctor-murderers" is also no doubt not a mere coincidence.

93. The nature of the compromise reached at the January,

1955, Plenum may therefore be conjectured to be something like this. The Army has promised to back the domestic policies of the Left (principally the "agro-cities" scheme), in return for greater freedom from political control by the Party and for a voice in the formulation of foreign policy. At the same time, it has refused to allow the Right-Left struggle within the Party to run its course, for fear of the damage that would thereby be done to the Party and state fabrics. It has therefore insisted that the Right be suffered to maintain at least a nominal place in the Party and the state.

94. If this hypothesis is correct, the Army command is in a strong position. If it should find that the policies of the Left Bolsheviks are not to its taste, it can presumably switch its support to the Right and aid it in displacing the Left. By the same token, however, the Army's position is also a very dangerous one. If one or the other extreme succeeds, despite the moderating influence hypothetically imputed to the Army command, in completely vanquishing its opponent, it will then turn immediately to the task of bringing the Army once more to heel. The Army command's ability to maintain its newly acquired power depends upon its ability to maintain a balance, and prevent a showdown, in the leadership. At the moment, the Left may have grown somewhat too strong to permit the maintenance of such a balance over an extended period.

95. It should be stressed that hard evidence is as yet lacking to prove that the hypothesis outlined above corresponds to the facts. The real nature of the situation within the Soviet leadership will only be revealed by the course of events.

D. Implications of the February Changes for Future Internal Policy and Developments

96. The issues at stake in the struggle for power within the leadership are so crucial for the future development of the

Soviet Union that further changes, in one direction or another, seem inevitable within a relatively short time.

97. The implications for Soviet economic development of the "agro-cities" scheme, the initial steps of which have already been put into effect by Khrushchev, can hardly be exaggerated. Already, a dislocation is taking place in Soviet agriculture. The old agricultural regions are being neglected in favor of the plan to assimilate 28-30 million hectares of more or less marginal land in Central Asia and Western Siberia. Khrushchev has announced that the old agricultural areas will be thrown back on themselves to produce enough to satisfy their needs in food and consumer goods, without the hope of state aid.

98. The reversal of the "new course", and the abandonment of the promises of late 1953 and early 1954 to supply more and better food and manufactured consumer goods to both the rural and urban populations, can hardly be greeted with enthusiasm by the Soviet people. Although these promises never amounted to much more than propaganda, the dashing of the hopes of the people cannot be expected to contribute to greater productive efforts in any sphere of the economy.

99. If, on top of all this, an effort is made within the relatively early future to push the "agro-cities" scheme through to its logical conclusion, it is difficult to see how the result can fail to approach general economic and social chaos, accompanied by a significant fall, not only in agricultural, but also in industrial, production.

100. The prospect of such a general economic dislocation, no matter how strongly the Left may urge its inevitability as a precondition for the "construction of communism", can hardly be viewed with much satisfaction by the Army, the state bureaucracy or the intelligentsia.

101. The conclusion is almost inescapable that decisive events must take place before very long in the Soviet leadership.

E. The Satellites

102. The repercussions of the crisis in the Soviet leadership have been felt in the satellites in degrees proportionate to the extent to which each satellite embraced the "new course". It must be presumed that the various satellite leaderships introduced the "new course" on the basis of a combination of two factors. The first was the degree to which the particular satellite Communist Party hierarchy was subject to the influence of the Left or the Right in Moscow. The second was the evaluation by the particular Communist hierarchy of the probable result of the power struggle in Moscow.

103. The two satellites which went farthest in applying "new course" policies were Hungary, first and foremost, and Czechoslovakia. The "new course" died a-borning in Eastern Germany, as a result of the events of June, 1953. It seems never to have had more than verbal content in Albania. It was largely inapplicable in Bulgaria because of the overwhelmingly agricultural nature of the economy of that country, and of the thoroughness with which collectivization had been achieved. It was not much more feasible in Rumania for the same reasons as in Bulgaria, in addition to which the Rumanian Communist Party had apparently been too greatly weakened by the post-Zhdanov purges to be able to muster much initiative in policy implementation of any sort. And it seems to have been adroitly soft-pedalled by the Polish Communist leadership. In Czechoslovakia, however, a considerable degree of relaxation was effected, particularly in the sphere of collectivization. And in Hungary, the "new course" was applied with fervor.

104. The reversal of the "new course" in the satellites has thus far been accomplished without any apparent difficulty. The Polish Communist leader, Bierut, proclaimed its demise at a plenum

of the Polish Communist Party on January 21, declaring that the recent emphasis on consumer-goods production could "take place only as an exceptional phenomenon in the normal, long-term cycle of economic plans", and leaving no doubt that such an exception was not likely to recur soon. In Czechoslovakia, the Left-Right split in Moscow seems to have been reflected in a divergence between Premier Siroky and First Secretary of the Communist Party Novotny, on the one hand, and President Zapotocky on the other. Novotny proclaimed the reversal of the "new course" at a Party plenum on February 10-11, laying down a line which embodies all the emphases of the Moscow Left, even including a plan for the assimilation of fallow land (the Polish Party had adopted such a plan in July, 1954). In Hungary, First Secretary of the Communist Party Rakosi returned in November, 1954, from an extended "vacation" in the Soviet Union. On January 25, 1955, he announced that the ambitious heavy-industrialization plans originally laid down for the second Hungarian Five-Year Plan (1955-1959)*, which had been abandoned as economically irrational and unattainable at the inception of the "new course" in June, 1953, were perfectly feasible and must be carried out, after all. Imre Nagy, the Hungarian Premier and bell-wether of the Hungarian "new course", took to his bed with a "heart ailment", which will necessitate his indefinite absence from official duty (physicians of the Hungarian Academy of Sciences have volunteered the opinion that he cannot be expected to recover before April of this year).

105. Personnel changes must be expected in the satellites as the Moscow Left consolidates its position. Already some

* The inception of this Plan has been postponed to 1956. Thus, it, like those of all the other satellites except Bulgaria, will coincide with the sixth Soviet Five-Year Plan (1956-1960).

Hungarians associated with the Zhdanovite Rajk have made a modest re-appearance. The satellites will, of course, bring their domestic and foreign policies fully into line with the new Moscow dispensation as rapidly as they can, and, as a consequence, dismissals will take place in the middle and lower Party and governmental echelons. A thorough settlement of the scores which accrued before and during the "new course" interlude, will, however, probably not take place until the signal is given by a rupture of the compromise which now prevails in Moscow. By the same token, bloodletting in the satellites would be an indication that events are moving towards a show-down in the struggle within the Soviet Party. The Hungarian and Czechoslovak Communist Parties would probably suffer most heavily in this case.

106. It is now apparent that there was some weakening of Soviet control over the satellites during the "new course" interlude. This was probably a function of the compromise between contending factions in Moscow, during which the satellite leaderships found that they had room for cautious manoeuver.

107. The fact that, during two years of relatively weak control from Moscow, the Soviet Union's ultimate control of the satellites was never noticeably threatened, and that the transition back to a "hard" policy seems so far to have presented no serious difficulties, either to the holders of power in the Soviet center or to their subordinates in the satellite capitals, testifies to the completeness of Soviet domination of the satellites. Given the controls which they now possess over the subject populations, the satellite Communist leaders, it would seem, need fear no internal challenge to their power, short of a spontaneous, general insurrection. Since the Soviet Army, like that of the Tsars during the period of the Holy Alliance, stands at their disposal for this eventuality, such an insurrection could not succeed.

108. The satellites are, in all probability, now entering a period during which they will be more rapidly assimilated to the Soviet system. The formation of the Polish-Czechoslovak-East German alliance and of "COMTO" (see paragraph 110, infra) will precede, and no doubt pave the way for, the projected coordination of satellite economic planning with that of the Soviet Union, scheduled to commence in 1961. It must therefore be expected that the next five years will see an increasingly heavy emphasis upon an inter-satellite division of labor. Heavy industrialization, of a sort designed to complement that already achieved by, and planned for, the Soviet Union, will probably be pushed in Poland, Czechoslovakia, Eastern Germany and Hungary, together with a further development of precision and consumption industries, oriented on Soviet demand. The rate of collectivization in these countries will no doubt be accelerated; policy statements calling for a "strengthening" of the Machine-Tractor Stations and of the "cooperative sector" of agriculture have already been voiced in Poland, Czechoslovakia, Hungary and Bulgaria.

109. The period of the "new course" has given the USSR valuable experience with regard to its ability to control the satellites. It has shown that, even during an interlude of relative weakness in the Soviet leadership, the essential controls over the satellites can be maintained, and, in some cases (Eastern Germany), strengthened. An additional valuable lesson has no doubt been that, whatever their fears of the "capitalist encirclement" may have led the Soviet leaders to expect, they need in fact fear no challenge to Soviet control over the satellites from the non-Communist world.

III. External

A. Europe

110. The Soviet Response to the Paris Agreements

The USSR has stated unequivocally that, if the Paris

Agreements are ratified, it will conclude a multilateral "treaty of friendship, cooperation and mutual assistance" with its seven European satellites (including its occupation zone of Germany). The resultant alliance (which, for the sake of brevity, may be called "COMTO", for "Communist Treaty Organization") would establish a unified military command. In addition, preparations are under way for the establishment of a Polish-Czechoslovak-East German alliance, presumably within the framework of "COMTO". The establishment of "COMTO", as such, would of course, merely amount to legal embodiment of the military relationship which already obtains between the Soviet Union and its satellites. However, the USSR and the satellites have all declared repeatedly that ratification of the Paris Agreements will not only require the formation of "COMTO", but also "necessitate further weighty measures with a view to providing proper defense" of the Soviet-satellite area. The Soviet defense budget for 1955 in fact provides for an increase in military expenditure over 1954 of 12% (which, it is estimated, will permit the production of some fifty billion rubles* worth of new military equipment).

111. If "COMTO" is in fact established, it should be expected that the USSR would counter Western initiatives aimed at negotiations on the German question (see paragraph 114, infra) by insisting on the prior conclusion of a "General European Treaty of Collective Security in Europe", a draft of which was presented by Soviet Foreign Minister Molotov at the Berlin Conference on February 10, 1954. This draft provided that "The Parties undertake not to enter any coalition or alliance or conclude any agreement the purposes of which would contradict the purposes of the Treaty of Collective Security in Europe". Thus, a pre-condition for the conclusion of this treaty would be the disbandment of

* \$12.5 billion at the official rate of exchange.

"COMTO" by the Soviet Union and its satellites, and the disbandment of NATO by the West. Another, and perhaps the most important, pre-condition for this treaty is the "neutralization" of Germany, as defined by Molotov at the Berlin Conference.

112. Parenthetically, Molotov, in his report of February 8, 1955, to the Supreme Soviet, declared that "the Soviet Union and the other countries of the socialist camp" [i.e., the seven European Soviet satellites, the Chinese People's Republic, the Korean People's-Democratic Republic, the Democratic Republic of Viet-nam (i.e., Viet-minh), and the Mongolian People's Republic (i.e., Outer Mongolia)] would "be obliged to unite their efforts in safeguarding their security in the event of the implementation of the aggressive plans which are designed to resurrect German militarism and to prepare for attack on peaceful states". The "aggressive plans ... designed to resurrect German militarism" are, of course, the Paris Agreements. The "aggressive plans ... designed ... to prepare for attack on peaceful states" are presumably United States efforts to assist the Chinese Nationalists in their defense of Formosa. Thus, the Soviet Union has launched the veiled threat of the formation of a more comprehensive alliance than "COMTO", which would unite the twelve Communist states of the world against the "capitalist encirclement" in both Europe and Asia.

113. There is no reason to doubt that the USSR will make good on its threat to "annul" the Anglo-Soviet and Franco-Soviet treaties if the Paris Agreements are ratified.

114. Germany: The Soviet Government has unequivocally stated that ratification of the Paris Agreements "will make the reunification of Germany impossible for a long time". The pre-condition of Soviet agreement to negotiate on the holding of free all-German elections is "rejection of the Paris Agreements". It must therefore be expected that, if the Paris Agreements are

ratified. the USSR will refuse to enter four-power negotiations on the German question. and will counter Western initiatives aimed at bringing about such negotiations by insisting that they be preceded by the conclusion of a "General European Treaty of Collective Security in Europe". Soviet agreement to negotiate on the Collective-Security Treaty depends, in turn, upon four-power agreement to Soviet-style "neutralization" of Germany. It would thus appear that, if the Paris Agreements are ratified, there will be little or no possibility that the Soviet Union will agree to enter meaningful negotiations on the German question.

115. Apparently in preparation for the coming period of refusal to negotiate with Great Britain, France and the United States on Germany, the USSR, in its declaration of January 15, 1955, proclaimed its readiness to establish bilateral relations with the German Federal Republic. The Soviet Declaration of January 25, terminating the state of war between the USSR and Germany, seems to have been designed to smooth the way for the establishment of such relations, as well as to eliminate juridical obstacles to the conclusion of "COMTO" and the formal creation of an East-German army. If the Paris Agreements are ratified. it may be expected that the USSR will intensify its efforts to enter into direct relations with the German Federal Republic.

116. The Soviet plan to establish "COMTO" and sponsor the formation of a Polish-Czechoslovak-East German alliance, taken together with the prospect of an extended period of Soviet refusal to negotiate on Germany, are evidence that the USSR will maintain and further consolidate its hold on Eastern Germany, and will integrate it more rapidly into the Soviet bloc.

117. Austria: Molotov's extensive treatment of the Austrian question in his report of February 8, 1955, to the Supreme Soviet, served merely to emphasize the Soviet refusal to consider the Austrian State Treaty apart from the German question and the Paris Agreements. In Molotov's words: "..... the adoption of

appropriate agreed measures by the Four Powers in connection with the German question" is the prerequisite for the conclusion of the State Treaty. Ratification of the Paris Agreements, on the other hand, ".... would create a serious threat of Anschluss and, hence, a threat to Austria's independence". and would render the conclusion of the State Treaty impossible. It is clear that the USSR intends to use ratification of the Paris Agreements as a pretext for continued refusal to conclude the State Treaty.

118. Finland and Scandinavia: The USSR will continue its efforts to increase its economic and political influence in Finland. Soviet agreement in December to loan Finland \$10,000,000 in gold is no doubt designed to perpetuate Finnish economic dependence on the Soviet Union. It may be expected that pressure will be brought to bear in order to win increased Finnish support for Soviet "collective-security" proposals. Such support, besides being an important objective in itself, would be calculated to weaken Finland's ties with its Scandinavian neighbors and to hinder the development of closer ties between Sweden, on the one hand, and Norway and Denmark, on the other. The Nordic Council continues to be the object of Soviet attacks, and Norway and Denmark, as in the past, are threatened on the consequences of their membership of NATO. The fact that the "World Peace Assembly" is to be held in Helsinki (beginning on May 22, 1955), may mean that the Scandinavian countries, and particularly Sweden, will be a main target for the next "peace" offensive.

119. Yugoslavia and the Balkan Pact: The USSR continues to attach importance to the improvement of relations with Yugoslavia, although Soviet statements now tend to emphasize the necessity of a more positive Yugoslav response to Soviet overtures. Molotov's remark in his February 8 report to the Supreme Soviet that further progress in the relations between the two countries "... depends no less on Yugoslavia itself" than upon the USSR, would appear to indicate disappointment with the Yugoslav reaction to past Soviet

efforts. The eventual establishment of "COMTO", even though it amounted to nothing more than formal recognition of already existing Soviet-satellite military arrangements, would hardly serve the aim of bringing Yugoslavia closer to the USSR and the other countries of the Soviet bloc. However, the USSR undoubtedly hopes to derive advantages from Yugoslavia's position of "neutrality" between the Soviet bloc and the West, and will probably take pains to refrain from any action likely to impel Yugoslavia to commit itself overtly and definitively to the West. In a general attack on "military and political alignments" during his February 8 report, Molotov was careful to put the Balkan Pact "... in a class by itself, since only two of the signatories are members of the North-Atlantic bloc and the third, Yugoslavia, is not".

B. The Far East

120. Relations between the USSR and the Chinese People's Republic: The conclusion of the Sino-Soviet Agreements of October, 1954, marked the beginning of a new stage in the development of relations between the two countries. The USSR has now formally recognized the Chinese People's Republic as an equal partner and as co-leader of the "great camp of socialism, peace and democracy".

121. It is difficult to believe that the Soviet Union would have relinquished its position of primacy in the Communist world except under the pressure of power-political realities. The ultimate physical impossibility of direct control by the USSR of China's geographical and human vastness: the ideological and historical independence from Moscow of the Chinese Communist Party; and the actual or potential leadership of the masses of South-East Asia and the Indian sub-continent, which China can exercise; plus the fact that the CPR could, if it broke away from its Soviet connection, find ready support in the West for its separatism - these factors combine to give the Chinese Communist leaders a great deal of leverage upon their Soviet partners. The root of the matter is that the USSR can scarcely afford to lose China, while

in certain respects, the CPR does not really have a great deal to lose if it severs the Soviet connection.

122. The advantages of close Sino-Soviet cooperation undoubtedly outweigh for the present Soviet fears of possible future clashes of interest, and inhibit the expression of any Chinese Communist desire to claim the leading role in the world Communist camp. The two countries are fully conscious of the gains to be won through concerted action in international affairs. If the CPR must rely entirely upon the USSR for assistance in its plans for industrialization and for the rapid development of a modern war-machine, the USSR is equally dependent upon the CPR for prosecution of the aims of world Communism in the Far East and South-East Asia. At the same time, it must be realized in Moscow that it is the CPR, and not the USSR, which stands to be strengthened by the realization of those aims. The Soviet Communist Party cannot relish the implications of assumption by the Chinese of the leadership of Communism in Asia, and must be warily content to make the best of a situation which it is unable essentially to alter.

123. Since October, 1954, there have been signs which appear to betray a growing uneasiness in Moscow over the power position of the USSR relative to the growing geopolitical strength of the CPR. Thus, the October visit of Khrushchev, Bulganin and Mikoyan to the CPR, during which they made the rounds of the principal Chinese and Manchurian cities, was followed by an extended inspection of the Soviet Maritime Region (whose capital is Vladivostok) and the eastern and central Siberian regions. In January, addressing a meeting in Moscow of Komsomols and young people who had "volunteered" to go to the new agricultural areas of Central Asia and Western Siberia, Khrushchev spoke of the desirability of increasing the population of the Soviet Union by another 100,000,000 souls. Moreover, he said that it was not

sufficient merely to populate and bring under cultivation the Central Asian and Western Siberian areas already designated for permanent settlement, but that a further extension of migration was necessary into central and eastern Siberia, the Maritime Region and the Soviet Pacific islands. The connection between this statement, which may foreshadow a future aggrandizement of plans for eastward migration, and the impression left on Khrushchev, Bulganin and Mikoyan by the contrast between China's populousness and the emptiness of the Soviet East*, can only be conjectured.

124. In his foreign-policy report to the Supreme Soviet on February 8, Molotov singled out the Mongolian People's Republic

* The density of population of the USSR per square mile is approximately 22 (per square kilometer: approximately 9) (1946). The density of population of the Chinese People's Republic is estimated at 135 (per square kilometer: approximately 51) (1951). The population of the USSR east of (and not including) the Ural region is estimated at about 20,000,000 (1951). Population density in this area is approximately 10 per square mile (4 per square kilometer) in an area of roughly 4,813,760 square miles (12,471,540 square kilometers). The areas of densest settlement along the Trans-Siberian Railroad in Eastern Siberia and the Soviet Far East have a maximum population density of approximately 65 per square mile (25 per square kilometer) (1946). The population of Manchuria (North-Eastern China) is estimated at 41,627,000 (1951). The area of Manchuria is an estimated 341,154 square miles (887,000 square kilometers). Thus, the density of population per square mile in Manchuria is approximately 122 (47 per square kilometer).

(Outer Mongolia), formerly a closed Soviet preserve and not usually subject to treatment as an independent political entity in official reports on foreign policy, as a potential member of the mooted defensive alliance to be formed by the twelve Communist states of the world. This reference, together with the October, 1954, agreement permitting the CPR to extend its railroad system to Ulan-Bator, the capital of Outer Mongolia, may indicate the emergence of this state, hitherto regarded as a mere puppet of the USSR, as a sort of buffer between the Soviet Union and China.

125. The CPR's demands for Soviet assistance in its industrialization program cannot be the easiest facet of the relationship between the two states, in view of the Soviet Union's inability, for example, to fulfill the demands of its European agricultural areas for agricultural machinery in the face of the needs of the new areas of Kazakhstan, Western Siberia and the Trans-Volga. This situation must place some strain upon Sino-Soviet relations, since the USSR is aware that China could find alternative sources of supply if it were once more to exercise its ideological independence, and accept "capitalist" aid in the incipient stages of industrialization (as, indeed, the USSR had done during the analogous period of the early and middle 1930's).

126. While the points of strain in the CPR-USSR alliance warrant constant attention, it would be rash to believe, on the strength of available evidence, that anything remotely in the nature of a rupture is imminent. Sino-Soviet collaboration in the international sphere promises both partners greater gains than either could win separately. As long as this situation prevails, there seems to be no likelihood of an open breach between them.

127. Formosa: The full extent of Chinese Communist and Soviet intentions in the Formosa campaign is not yet clear. The

avowed purpose of the CPR is to take Formosa and the Pescadores by force and, to that end, to capture the coastal islands still held by the Nationalists. Indeed, Chou En-lai, in conversations with non-Communist Asian leaders, has declared that the CPR will fully achieve these aims during 1955.

128. The USSR has given full diplomatic and propaganda support to the CPR's Formosa campaign, but promises of "aid" made by Soviet leaders in public statements have been couched in general terms. Thus, on February 14, at the CPR Ambassador's reception in Moscow on the fifth anniversary of the signing of the Sino-Soviet treaty of mutual aid, Chairman of the Council of Ministers Bulganin said in the presence of Western diplomats: "China knows that it can look to us not only for sympathy, but also for help. That help will be forthcoming when needed". It is significant that the texts of the speeches made on this occasion were not published in the Soviet press, nor were their contents made known by any Soviet or Chinese Communist propaganda medium.

129. Massive Soviet assistance is a prerequisite for a sustained CPR assault upon Formosa and the Pescadores. The granting by the USSR of assistance upon the scale necessary for the mounting of such an attack would presuppose a Soviet decision to risk general war. There is no reason to believe that the Soviet leadership is in any way disposed to run such a risk. It is also extremely doubtful that the Chinese Communist leadership would be willing to run such a risk.

130. Therefore, the CPR must concentrate on ways and means of acquiring the Quemoy and Matsu. It cannot now back down on its threats to take at least these Nationalist-held coastal islands, without suffering the loss of much or all that it has won in the way of international prestige during 1954, both by its own, and by joint Sino-Soviet, efforts. Since the CPR

serves Soviet, as well as its own, interests by intensifying the pressure exerted upon policy differences over the Formosa issue among the nations of the Free World, it should be assumed that the USSR will continue to provide full diplomatic support for the CPR's effort to get possession of the coastal islands.

131. The Communists may hope eventually to produce so great a divergence of view in the West over the issue of the coastal islands as to compensate for the final failure of the CPR to achieve its stated ultimate goal: the capture of Formosa. This failure would probably not be accounted too damaging by Peking if the CPR were able first to get the Quemoy and Matsu, by one means or another, and then to obtain membership of the United Nations in return for agreement to a cease-fire in the Straits of Formosa. It seems doubtful that the Chinese Communists would willingly content themselves with anything less than the attainment of both these goals.

132. Japan: The Sino-Soviet Declaration of October 12, 1954, on relations with Japan, evoked a response, following the formation of the Hatoyama Government, in the form of a statement by Foreign Minister Shigemitsu early in December, expressing Japanese readiness " ... to restore normal relations with the Soviet Union and Communist China on mutually acceptable terms". The Japanese Government appears subsequently to have dropped the idea, for the immediate future, of taking practical steps to establish diplomatic relations with Communist China, although there has recently been a significant growth of cultural and economic activity between the two countries. Molotov's statement of December 16th, welcoming the Japanese initiative, was followed, towards the end of January, by a Soviet memorandum notifying the Japanese Government of the USSR's readiness to enter negotiations, either in Moscow or Tokyo, looking towards "normalization of relations" between the two countries. The Japanese Government

maintains that the state of war between the USSR and Japan must be terminated by the conclusion of a peace treaty, following which negotiations for the renewal of diplomatic relations may be undertaken. In his February 8th report to the Supreme Soviet, Molotov declared that the Soviet Union expects "good results" from the further development of Soviet-Japanese contacts, and the USSR has subsequently agreed to engage in an exchange of views on the subject of the "re-establishment of normal relations" at the United Nations in New York.

133. The USSR is doubtless greatly interested in resuming diplomatic relations with Japan, if this can be done at no cost to itself. The Japanese would like to emerge further from the diplomatic isolation which marked the immediate post-war years. It is obvious that the USSR would like to establish a modus vivendi with Japan which does not involve the conclusion of a peace treaty and the discussion, in that process, of the territorial issues (especially that of the Kurile Islands chain) which stand between the two countries. Possibly it is the Soviet hope that the return of the remaining Japanese prisoners-of-war from the USSR will satisfy Japanese demands to the extent of making possible the conclusion of such a modus vivendi. Premier Hatoyama has, in effect, been warned by the Soviet press that a raising of the Kuriles issue will not facilitate his stated aim of re-establishing relations. The question for the Japanese Government is therefore that of the size of the return which it can exact from the USSR for its agreement to re-establish relations, without running the risk of asking too much, and thereby causing the Soviet side to relinquish, for the moment, its effort to restore normal diplomatic contact. The subject of Soviet-Japanese relations was a source of political capital for the Democratic Party during the election campaign. Now that they are firmly in the saddle, the Democrats

may be more inclined to reckon the possible eventual cost of a deal which might later be represented as a "sell-out" of Japanese national interests.

134. The USSR will certainly not be willing to entertain any Japanese propositions which call in question its rights to the territorial gains it won in the Pacific as a result of the Second World War, although it may be willing to make insignificant territorial adjustments (Habomai, Shikotan) as the price of "normalization" of relations. If a modus vivendi can be established, and diplomatic relations are resumed, it may be expected that the Soviet Union will undertake to promote Japanese recognition of the Chinese People's Republic, and, in any case, to foster the development of Japanese trade both with itself and with the CPR. Success in the pursuit of these aims would serve the further Communist goal of neutralizing Japan by weakening its ties with the Free World.

135. Japanese diplomatic and mercantile relations with the USSR and Communist China are potentially a source of friction between the two. The development of close Sino-Japanese trade relations would decrease the dependence of the CPR upon the USSR for aid in industrialization, and the USSR could hardly look with favor upon a situation in which the CPR developed autonomous ties with Japan. It is consequently in the interest of the Soviet Union to attempt to control the development of the relationship between the two Far Eastern countries. This situation is one which affords Japan the prospect of some opportunity for diplomatic manoeuver between the USSR and the CPR. For the immediate future, however, it does not seem likely that relations between Japan and either the USSR or the CPR will mature sufficiently rapidly to give cause for any alarm in the West. The USSR and the CPR do not seem at the moment to have a great deal to offer Japan,

apart from the increased leverage which relations with them would give it vis-à-vis the Free World.

136. Indo-China: The CPR's Formosa campaign has constituted the principal Communist effort in the Far East, and has overshadowed events in Indo-China. There, presumably in large measure because of their preoccupation with Formosa, the Communists are apparently content to play a waiting game, while consolidating their power in Northern Viet-nam in preparation for next year's elections. However, Communist attacks on Royal Laotian forces in the latter part of January - the first reported organized fighting between the two sides since the cease-fire came into effect - suggest that it may be unduly optimistic to assume that Peking intends to let the present state of relative calm in Indo-China continue indefinitely. Failure in the Formosa campaign would very probably impel the Chinese Communist leadership to pursue a more "forward" policy in this area.

137. The forthcoming Bandoeng Conference will provide the "Democratic Republic of Viet-nam" (i.e. Viet-minh), with a useful opportunity to enhance its international standing. Meanwhile, Chinese Communist influence in Northern Viet-nam has been further consolidated by an agreement providing for CPR aid in the restoration and development of the transportation system, and in the construction of five hydro-electric plants.

C. India, Indonesia and Burma

138. The Soviet Attitude towards These Countries: The USSR and the CPR continue carefully to cultivate the Asian neutral

powers. In his report of February 8th, Molotov referred deferentially to the fact that "India's international prestige as a new and important factor of peace and friendship among nations is steadily rising". He also mentioned the "increasingly closer" relations which the USSR is developing with Burma and Indonesia. (His remarks on "Pakistan and Ceylon and other Asian nations" were less enthusiastic. He merely expressed the hope that they "...will also find their way to genuine national freedom and economic regeneration". The USSR obviously regards the Asian neutrals, India especially, as countries which might, if handled properly, be converted into active allies of the "great camp of peace, socialism and democracy". It is thus willing to go to considerable lengths in order to retain their good will and to consolidate the political advantages which have already accrued to the USSR as a result of their position of studied neutrality between the "two camps".

139. Evidence of the importance which Moscow attaches to the development of closer relations with India is furnished by the decision to provide the necessary equipment and technical assistance, "including the services of highly qualified specialists on the spot", for the construction of a steel plant in India with an annual production of "over one million tons of steel and a corresponding amount of rolled metal". This is one of the few cases where the Soviet Union's verbal generosity towards underdeveloped countries has been transformed into deeds and it may be

assumed that the investment would not have been made if it were not expected to pay substantial political dividends. Prime Minister Nehru's projected visit to Moscow during the summer will doubtless be the occasion of a lavish demonstration of Soviet good-will gestures towards India.

140 The Bandoeng Conference: The Soviet and Chinese Communist leaders expect to derive solid advantages from the Bandoeng Conference, although here, as elsewhere in the Far East and South-East Asia, it is the CPR, rather than the Soviet Union, which may expect to see the greater extension of its influence. The main hope of the USSR is no doubt that Prime Minister Nehru will take the lead in giving greater definition, cohesion and purpose to the neutralist group of Asian nations which will attempt to set the tone at Bandoeng. This would, in Soviet eyes, be a powerful antidote to SEATO and other anti-Communist efforts now being made in South-East Asia by France, Great Britain, and the United States. The CPR, while sharing these hopes, will probably find it difficult to refrain from appearing as the great indigenous Asian power, and may, indeed, wish to make a conscious effort to impress the smaller participants at the Conference with its power and authority. Should the CPR adopt this attitude, it is not difficult to foresee the development of a certain strain between it and the neutral bloc headed by India. It may also be expected that the CPR will be particularly concerned to use the Conference as an opportunity to develop its relations with Japan.

D. The Middle East

141. Turkey, Iraq and Pakistan: The conclusion of a mutual-defense treaty between Turkey and Iraq is a substantial set-back to Soviet ambitions in the Middle East. Soviet concern at the recent course of events in the area was reflected in Molotov's references to both countries in his foreign-policy report of February 8th. His remarks on Turkey, in particular, stand in

strong contrast to the remarkably cordial Soviet attitude displayed last October on the occasion of the thirty-first anniversary of the founding of the Turkish Republic. "The Turkish authorities", Molotov said, "continue to hold to a position which does not accord with normal good-neighborly relations: they are lending their territory and coastal waters as a sort of arena for military manoeuvres and demonstrations of foreign, especially American, armed forces". Iraq was taken to task for "the over-eagerness of the present Iraqi government to dance to the tune of the 'Western' imperialists", which was held to account for the fact that Iraq had broken off relations (last November) with the Soviet Union. As for Pakistan, Molotov referred to it, immediately after paying warm tribute to India, by expressing the hope that it ". . . Ceylon and other Asian nations will also find their way to genuine national freedom and economic regeneration". The Soviet attitude towards Turkey, Iraq and Pakistan will doubtless continue to harden as the ties among these countries become increasingly close.

142. Iran: The USSR must also view with concern the growing interest displayed by Iran in plans for Middle-Eastern defense arrangements, and increasing Soviet diplomatic effort aimed at preventing Iran from joining Turkey, Pakistan and Iraq in such arrangements should be expected. Although the issue may be judged in Moscow not to be sufficiently acute at present to warrant an immediate diplomatic initiative, Molotov's February 8th report gave clear expression to basic Soviet anxieties in this regard. After noting "a certain improvement" in Soviet-Iranian relations, exemplified by the conclusion by the two countries of an agreement on frontier and financial questions (December 2, 1954), Molotov went on to say: "We hope that the further development of Soviet-Iranian relations along these lines will not be prevented by the unceasing pressure exerted on Iran

by foreign aggressive forces, who are bent on inveigling that country into their aggressive military and political alliances in the Near and Middle East".

E. The United Nations, Atomic Energy and Disarmament

143. Since the abandonment by the USSR of "peaceful co-existence", and as Soviet diplomatic and propaganda support for the CPR's campaign to acquire Formosa has become more pronounced, there has been a certain hardening of the Soviet attitude towards the United Nations. Referring to the UN, Molotov said on February 8th: "We consider Taiwan [i. e., Formosa] an internal affair of China, and regard America's acts of seizure and threats of war as aggression, which the United Nations must unreservedly condemn if it prizes its authority and prestige. It is impossible to tolerate any longer the fact that to this day the Chinese People's Republic has not been restored its lawful rights in the United Nations owing to the opposition of the United States". The implication that the UN is, in effect, an American-controlled "voting machine", harks back to Stalinist attacks on the organization.

144. On January 15th, the USSR announced its intention of participating in the UN conference on the peaceful uses of atomic energy, which is scheduled to be held in Geneva in August, and of reporting to the conference on the atomic electrical station which it claimed last summer to have put into operation. Previously, at the beginning of December, 1954, the United States Department of State had announced that secret discussions between the U. S. and the USSR on President Eisenhower's "atoms for peace" plan had been resumed, and were expected to continue. There is, nonetheless, no reason to believe that the USSR intends to make a substantial contribution to, or play an active role in, any international scheme for the peaceful use of atomic energy which

may result from the August conference. It would not be surprising if the Soviet Union were to attempt to turn that conference into a platform from which it could once again repeat its demand for an unconditional ban on nuclear weapons, and were to make acceptance of the ban by the other participants the condition for its agreement to join the projected international atomic authority.

145. On January 18, 1955, it was announced that the Soviet Union had proposed to the CPR, Poland, Czechoslovakia, Rumania and Eastern Germany, that it aid them in their development of peaceful application of atomic energy by providing know-how and fissionable material in return for deliveries of the "appropriate raw materials". A Soviet "atoms for peace" proposal has thus materialized out of thin air, which can be used to counter, at least as far as appearances go, the corresponding United Nations plan. If, as seems likely, it refuses to join an international atomic organization which contains Free World members and requires contributions of fissionable material from the leading atomic powers joining it, the USSR will probably depict its offer to the CPR and the satellites as "proof" that it is ready, under the proper political conditions, to make a practical contribution on an international scale to peaceful atomic development.

146. The Soviet disarmament proposal of February 18 and Gromyko's calculated indiscretions to the London Daily Worker a week later, at the beginning of the London session of the UN disarmament sub-Committee, show clearly that the USSR now intends to treat disarmament only as a useful propaganda theme, rather than as a subject for serious negotiation.

F. East-West Trade and Underdeveloped Areas

147. With the end of the "peaceful co-existence" interlude, during which the USSR emphasized the development of "businesslike trade relations" with individual countries of the Free World, it

should be expected that Soviet trade with the West will more or less rapidly revert to the pattern which prevailed before Stalin's death. Exceptions to that pattern may occur when the USSR is particularly hard put to it to maintain minimal domestic consumption levels from Soviet and satellite production. This appears to be the explanation, for example, of recent Soviet and satellite purchases of some 227,000 metric tons of raw sugar from Cuba and Brazil, following sugar-beet crop failures in the Ukraine and Hungary. However, purchases of foodstuffs and semi-finished industrial consumer products will probably be more or less completely discontinued during the coming period. The return to the pre-"new-course" line was signalled in Molotov's February 8th report, in which he gave heavy emphasis to the old, familiar Soviet attack upon the controls which are alleged to have been imposed upon "countries ... under the thumb of the United States", and dismissed the subject of "normal international trade and ... healthy economic co-operation" with only a passing reference.

148. The revival of this Stalinist attitude towards international trade may carry with it an intensification of the Soviet attempt to appeal to manufacturing and commercial circles in the Free World over the heads of governments, by means of such propaganda lures as the Moscow "International Economic Conference" of April, 1952.

149. No substantial Soviet effort in the underdeveloped areas is to be expected, apart from that directed to such key regions of Soviet interest as India and Afghanistan. In the former, as has been noted above (see paragraph 139 supra), the USSR has contracted to construct by the end of 1959 a complete metallurgical factory with a productive capacity of over one million tons of steel annually, plus a "corresponding amount" of rolled metal. India will pay for this plant, which will be financed by a Soviet credit, in rupees over a period of twelve years, at an interest rate of 2.5% per annum. The mounting Soviet effort in Afghanistan has been suppl-

mented by Czechoslovak efforts. Czechoslovakia, which had established a \$5,000,000 credit for Afghanistan in August, 1954, has now contracted to build a cement factory there, to be ready in two years and to cost \$1,500,000.

150. In view of the meagerness of the resources, both financial and industrial, and of the manpower, which the USSR can make available in this field, and in view of the priority which must be given to CPR claims, it is apparent that the Soviet Union will rely principally upon political approaches to the underdeveloped areas, of the type which may be expected to be developed on behalf of world Communism by the CPR at the Bandoeng Conference.