~~SECRET~~

~~CONFIDENTIAL~~

4



Copy No.
12 March 1958

CURRENT INTELLIGENCE STUDY

# FROM THE JANUARY PLENUM TO THE JULY PLENUM (1955) - ANTECEDENTS AND AFTERMATH OF MALENKOV'S RESIGNATION FROM THE PREMIERSHIP

(Reference title: CAESAR I-58)

OFFICE OF CURRENT INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY



~~CONFIDENTIAL~~

~~SECRET~~

CONTENTS PAGE

## PREFATORY NOTE

It was originally intended to begin this study at the point where Caesar II, Resignation of Malenkov, left off. It seemed to the author as he progressed, however, that it would be useful to go over some of the chronological ground covered in the earlier study for two reasons: in order to introduce information relating to Malenkov's demotion obtained only subsequently, and in order to provide some perspective for a discussion of policy changes undertaken in the months after February 1955. It will be seen, therefore, that points already discussed in considerable detail in earlier chapters--as,, for instance, the numerous changes in government and party appointments made between the time of Stalin's death and Malenkov's resignation and the procedural circumstances of the latter event--are treated here only sketchily or not at all. On these points the reader is referred to Caesar chapters Nos. 2, 5, 10 and 11.

# FROM THE JANUARY PLENUM TO THE JULY PLENUM (1955) - ANTECEDENTS AND AFTERMATH OF MALENKOV'S RESIGNATION FROM THE PREMIERSHIP

## Introduction

The January 1955 plenum of the party central committee and the Supreme Soviet session which followed in February marked the end of a phase in Soviet policy as well as in the political relationships developed after Stalin's death. At that point the two factors, power and policy, were inseparably linked. Malenkov's "resignation" denoted his defeat in the struggle for political dominance which had gone on uninterruptedly among Stalin's successors, but it was, at the same time, a device for demonstrating publicly and emphatically that important parts of the New Course, with which Malenkov's name was commonly linked, had been scrapped. The ritual of political penance was surrounded by a strident propaganda campaign against the consumer goods heresy which, by painting a picture in blacks and whites, tended, perhaps deliberately, to conceal the complexity of the policy problems with which the regime was confronted and the sources of personal rivalry within the party presidium.

Given the immensity of Stalin's power, it would have been remarkable if "collective leadership" and a coherent body of policies capable of advancing the regime domestically and abroad had emerged instantly in March 1953. The period which followed almost inevitably involved a certain amount of trial and error. By the end of 1954 a number of policy difficulties had developed and there had arisen within the party presidium a faction with the power to insist on change. Thereafter, however, though certain of the remedies applied under Malenkov were discarded as fruitless or injurious and the reins were taken out of his hands, the policies laid down by the regime continued to testify to a recognition that Stalin's personal despotism had been buried with him, and that the political and economic system which he had set up in the Soviet empire, together with the popular attitudes which it had engendered, needed reform. Though later events were to show that many serious problems remained or that new ones had been created, by the time the 20th party congress opened in early 1956, the regime seems to have felt many of the solutions it was seeking had been found and that it was well on the way to overcoming its Stalinist heritage.

The Post-Stalin Experiment - Domestic and Foreign Setting

The view of the USSR's strategic position which shaped the broad lines of post-Stalin policy had already emerged at the 19th party congress in October 1952. It appeared in Stalin's last theoretical pronouncement, Economic Problems of Socialism in the USSR, which recognized an ebb in the tide of Communist territorial expansion and diminishing likelihood of the immediate overthrow of capitalism through subversion or armed aggression. It seems likely, however, that Stalin's successors knew only in general terms where they wanted to go. Once the danger of public "panic," against which the new regime had appealed in its first communiqué, had passed, the first order of business was to agree on and put into practice some arrangement for the exercise of the enormous powers which had been concentrated almost solely in Stalin's hands. This was a prerequisite to the launching of a New Course designed to release the "hidden reserves" in the Soviet economic machine and its human cogs--reserves which had been held back under Stalin--and to create new opportunities for the USSR in the international arena. But group rule had only the dimmest prospects until something was done to eliminate the terror factor from the political equation. By executing Beria and clipping the wings of the political police, the collective leaders hoped to free themselves from the greatest hazard of political intercourse among themselves (which, in the "Doctor's Plot," devised toward the end of Stalin's life, threatened to produce a new purge) and, at the same time, to begin a reform of popular attitudes by offering to end Stalin's undeclared war against his own people.

This withdrawal from primary reliance on enforced consent at home had its analogy elsewhere in the bloc, in an attempt to elaborate gradually a new Soviet-satellite relationship, in which economic dependence and ideological affinity were intended to substitute partly for direct military-police control and the cement of Stalin's unique authority.

However, the departure of Stalin from the scene and the reduction-in-grade of the police apparatus on which he had relied so heavily, left a large gap to be filled. Despite the citations of precedent and dogma, the question of how, in direct, everyday terms, power was to be shared within the leading group and of how and through which channels consent to the collective will was to be obtained, remained to be worked out in practice. The working out promoted personal

rivalries and political in-fighting at the top as well as some jurisdictional confusion between the frequently over-lapping organizations of the party and the government.

Mikoyan told the 20th party congress that after the previous congress in 1952 "certain ossified forms of our diplomacy...were discarded," and "the leading collective body of the party introduced a new, fresh course, pursuing a high policy of high principles, active and elastic, maintained on a calm level, without abuses, proceeding from Lenin's firm injunctions on the peaceful coexistence of countries with different social systems...." Although the beginnings of the "peaceful coexistence" campaign can be traced back to about the time of the 19th party congress, as Mikoyan does here, Stalin's death, nearly six months later, gave the successor regime an opportunity, which it readily grasped, to push ahead on a new footing. Malenkov took the first step, in one of the earliest public statements of the new regime, when he told the USSR Supreme Soviet on 15 March 1953: "There is not a single controversial or unsettled question which could not be solved by peaceful means on the basis of the mutual agreement of the interested countries." The first important result of this profession was the Korean armistice, on which negotiations were reopened in April 1953 on terms rejected by Stalin (i.e., exchange of prisoners).

In general, the objective of this policy was, first of all, to reduce international tension and the strain placed on the Soviet bloc from the dangerous level of the Korean war and to ease the Soviet Union out of the hardened positions of the cold war, positions which allowed little room for maneuver and had had the effect of promoting cohesion in the non-Communist world. Its assumption was that, with the removal of the cement of common danger, built-in rivalries would soon destroy the structure of non-Communist alignments. By setting in motion the divisive forces espied at the 19th party congress, the USSR hoped, in the short term, to prevent the integration of a rearmed Western Germany in the Western alliance; its longer range objective was to isolate the United States from its major allies, and, thus, to rupture the whole fabric of Western defense.

But, while it strove to appear more conciliatory, the regime did not relinquish its claims of strength, lest the West conclude that it was leading from weakness. A principal purpose of the "peaceful coexistence" campaign

was probably to promote acceptance of the notion of mutual nuclear deterrence and thus to provide a safeguard behind which the USSR could move to encourage and exploit conflicts in the outside world while pursuing domestic objectives with fuller concentration. The two facets of this thinking, which has been called "peace at no price," were displayed at the August 1953 session of the Supreme Soviet when Malenkov announced that the Soviet Union had tested a hydrogen weapon while, at the same time, asserting: "If today, in conditions of tension in international relations, the North Atlantic bloc is rent by internal strife and contradictions, the lessening of this tension may lead to its disintegration."

Presumably, then, the regime expected to draw positive advantages from a foreign policy with a "new look." Apart from these, however, it had set itself objectives at home which could probably best be pursued in an atmosphere of international detente. However it defined the problem, the regime must have realized (perhaps well before Stalin's death) that the material and manpower resources for further primitive forced-draft industrialization were running short and that the Soviet economy was entering a period in which the overcentralized, highly bureaucratized, and inefficient Stalinist organization of production could not be expected to promote continued rapid industrial growth. In the face of a developing manpower shortage and increased attention to agriculture, it was becoming difficult to maintain the industrial growth rate at a desired level in the traditional Soviet manner, simply by pouring additional manpower and material resources into the economy. The underlying purpose of post-Stalin economic policy, under Malenkov and after, has been somehow to find a cure for the sore spot of low productivity and inefficiency in agriculture and to find new sources of growth in the rationalization

of the economic structure and in increased labor productivity--to be achieved by stirring the worker out of his psychological torpor, by appeal to his material interest, and by technological improvement.*

Miscarriages in the New Course --
The Malenkov Government's Foreign Policy

The threads of the Soviet Union's domestic and foreign objectives cross and recross so that it is not really possible to untangle the two. In the program which developed during the nearly two years of Malenkov's premiership, however, the focus seems to have been mainly inward. It may have been one of the shortcomings of the New Course that it attempted to enjoy the fruits of detente before detente had been assured.

The slogan of "peaceful coexistence" was given some concrete meaning in the Korean armistice and in the Indo-China settlement, and some progress was made toward easing the suspicion with which the non-Communist world viewed the Soviet Union. Under the phrase "normalization of relations" a cautious beginning was made toward healing the breach with Yugoslavia--a breach which, in Stalin's last years, had become wider and wider and had finally led Tito to seek alliance with Greece and Turkey. In numerous smaller ways--by lowering somewhat the cultural barrier between East and West, and by emerging from the shadows of the Kremlin--the regime, besides putting on display the new model of Communist leadership, sought to demonstrate that it was not cast in the same forbidding mold as Stalin.

*A post-Malenkov statement on one aspect of this problem, and evidence of its persistence, appeared in Pravda on 12 January 1957. Denying that the December 1956 plenum was symptomatic of economic difficulties, Pravda asserted: "The point /of the plenum's decisions/ is not...retreat, but a movement to a higher level of economic development, in which a rapid growth rate is made possible not only, or so much, by big new investments, but rather by better use of existing production possibilities, by a more rational organization of the job corresponding to the present stage in the building of Communism."

However, when compared with the gambits attempted in 1955, after Malenkov's resignation--the Soviet disarmament proposals of May 1955, the Austrian treaty, the Belgrade reconciliation, and the Summit conference--these steps appear cautious and tentative.

A [redacted] official [redacted] has described the policy of the Malenkov interregnum as a "programless program," which led to the loss of the "spirit of attack." Having discarded certain features of Stalinist policy, he argues, the Malenkov government's failure to develop a substitute offensive program gave the impression of a general retreat on all fronts. This was particularly evident, he continues, in the concept of peaceful coexistence which, to him, seemed to involve nothing more than a period of rest during which the Soviet state reorganized itself internally. We are, of course, dealing here with general impressions. It does seem to be true, nevertheless, that the Malenkov government, while striving to appear more conciliatory than Stalin's, took few risks in the international arena and, by the end of 1954, was in danger of losing the initiative. Perhaps Malenkov labored, throughout his premiership, under certain impediments: presumably, he was obliged from the beginning to defend himself against the encroachments of his rivals in the presidium and thus unable to establish unequivocally his own line; there is also some reason to infer that Malenkov, through temperament or intellect, leaned more toward discretion and a less confident view of things than Khrushchev (cf. Malenkov's March 1954 statement with respect to the possibility of mutual nuclear destruction). In any event, a feeling that Soviet foreign policy needed a new edge and drive may well have figured in the change of management in early 1955. It seems to be what Khrushchev had in mind when he complained to a foreigner after Malenkov's resignation that the latter had not been sufficiently "strong" in his foreign policy.

It is not unlikely that general dissatisfaction with the drift of international events was sharply accented, just before Malenkov's resignation, by the realization that a prime objective of Soviet diplomacy--the denial to the Western alliance of the strength of a rearmed Western Germany--was on the verge of defeat. Unquestionably, Germany figured large in Soviet thinking, not only because of the memories of the two world wars which it evoked, but also because its weight was crucial in the European balance of power. Ratification of the Paris accords by the French assembly in December 1954,

which cleared away the last real hurdle to West German rearmament, presented Soviet diplomacy with one of its most serious setbacks in the postwar period and added an important new ingredient to the strategic picture.

We have no evidence that Malenkov was ever called to account for this development. Neither in his resignation letter nor in the available summary of the central committee's explanatory circular was this point raised. Nevertheless, it was very probably a contributory, if indirect, cause of his resignation in that it forced the regime to look to its defense position and drew attention to the several problems which were then facing the Soviet economy. A suggestion of this appeared in Khrushchev's interview with the Hearst group in February 1955, when he complained that "Churchill and Dulles by positions of strength do not mean a balance of power but rather that one position should be stronger than another in order to enforce its will on the other side." This, he continued, "led to an armaments race with all its dangers and unfortunate economic consequences." The point appeared again a year later when Khrushchev told a foreign diplomat that Malenkov's demotion had been accompanied by certain economic adjustments, which, he implied, had been stimulated by Western agreement on German rearmament.

Economic Problems at Home

The New Course was conceived as a device for putting new momentum into the Soviet economy and for drawing popular support to the new regime. From its starting point and propaganda highlight--the promise to raise the output of consumer goods and, thus, the Soviet living standard substantially "within two or three years"--the program led through a number of expedients to the discovery that it had raised a whole series of unforeseen problems. Within less than two years its most conspicuous elements were discarded, and with them the man who was most nearly the public symbol of its original objectives. The public was encouraged to believe that the New Course had to go because it had come into conflict with a basic axiom of Soviet economic theory, the primacy of heavy industry, but this was a propagandistic oversimplification of the problem and, in any case, dealt with results not causes. The New Course failed because, at the outset, it overestimated the capacity and resilience of the Soviet economy, especially its agricultural sector, because it tended to intensify competition for scarce material and manpower resources, because it created ideological and operative confusion among Soviet cadres, and because, by stimulating expectations which it was, in the end, unable to fulfill, it threatened to damage rather than to strengthen popular morale.

The New Course expected to find "new production possibilities" primarily by arousing the "material interest" of the urban worker and the peasant. The goals of raising the production of consumer goods and increasing agricultural output were interdependent. An increased flow of consumer goods was intended to stimulate agricultural production which, in turn, would provide the foodstuffs and agricultural raw materials on which increased consumption largely depended.*

Increased output of consumer goods appears to have been achieved, in practice, by giving light industry a higher priority in the allocation of materials, by diversification of production in certain heavy industries, by withdrawals from state reserves and inventories, by some increase in imports to be financed largely from gold reserves, but, primarily, through the expansion of light industry plants on the basis of increased state investment. The result was that, according to Soviet statistics, in 1953 and 1954, for the first time since 1947 (when heavy industry was still under reconstruction) the output of consumer goods increased at very nearly the same rate as the output of producer goods.**

Measures were introduced to give the consumer the wherewithal for the purchase of the promised consumer goods by raising his money income. In 1953 the state loan was scaled down by one half and the annual cut in retail prices on consumer goods was twice as large as those put into effect in the previous seven years. The peasant, who was so vital to the success of the New Course, was given additional financial concessions through a reduction of the tax on the private plot, the cancellation of tax arrears, and the reduction of obligatory delivery norms and increased procurement prices on those commodities whose output the government especially wanted to encourage.

*Agriculture is estimated to provide the basis for about three fourths of Soviet consumption.

**These figures show a rate of increase in both categories of approximately 12 percent in 1953. In 1954 the rate of growth in heavy industry was approximately 14 percent and in light industry, approximately 13 percent.

Besides offering the peasant the inducement of more consumer goods and financial relief, the government attacked the agricultural problem by increasing its investments in that sector. In 1954, for example, it was planned to increase capital investment in agriculture from the budget to 21 billion rubles from the 12 billion rubles allocated in 1953.

The measures taken by the regime in August and September 1953 encouraged the peasant to increase the output of vegetable and livestock products on his private plot and thus lifted partially the threat to the plot glimpsed in Stalin's Economic Problems of Socialism in the USSR. Simultaneously, however, steps were taken to strengthen organizational control over agriculture from the center by reinforcing the Machine Tractor Stations, the government's main lever in the collective farm economy, and by increasing party authority in the countryside. These included a program to transfer 7,000 mechanical engineers to the MTS's, to install in each of the 9,000 stations a group of party instructors, and to send into the MTS's and collective farms upwards of 100,000 agronomists and other technicians.

As laid out by Khrushchev at the September 1953 plenum of the central committee, the immediate aim of the agricultural program was to raise the output of livestock products, potatoes, vegetables and fruit, primarily by reliance on incentive measures as a means of raising yields. At this stage, agricultural policy was not only consistent with, it was an integral part of, the New Course as a whole. It seems to have assumed, however, that there was no urgency to the problem of insuring an adequate grain supply. This was indicated by Malenkov at the August 1953 Supreme Soviet session when he asserted: "Our country has plenty of grain." Khrushchev spoke in somewhat the same sense, though with an added caveat, when he told the central committee in September: "We are in general satisfying the country's need for grain crops, in the sense that our country is well supplied with bread. We have the necessary state reserves and are exporting wheat on a limited scale." Agricultural procurements in 1953 proved, however, to be at the lowest level in the Fifth Five-Year Plan period,* and within a few months the estimate of grain needs had been sharply revised. Khrushchev informed

*This fact was not revealed until 1956 (Izvestiya, 4 Oct 56)

the February-March 1954 central committee plenum that "the level of grain production so far has not met all the requirements of the national economy," and therewith launched the "new lands" program which called initially for the expansion by 32,000,000 acres of the area sown to grain. The goal was extended in August 1954 to 37,000,000 acres.

In his interview with the British scientist John Bernal (published in late December 1954, on the eve of Malenkov's resignation), Khrushchev tended to minimize the differences between himself and Malenkov over agricultural policies. He said:

> "There was a lot of talk abroad about a seeming contradiction between the statements by J. V. Stalin at the 18th party congress and by G. M. Malenkov at the 19th party congress about the grain problem in our country having been solved and the decisions of the latest plenary meetings of the central committee of the CPSU which point to the need for increasing grain production and expanding the grain areas in virgin lands. Actually there is no contradiction here. J. V. Stalin and G. M. Malenkov were quite right when they said we had enough grain to assure bread for the population. Our country was satisfying its bread requirements. We have enough of it now, too, and we have the necessary reserves. But man does not live by bread alone. It is precisely other requirements of man that indirectly demand an increase in grain production."

More recently, however, Khrushchev has alluded on several occasions to misgivings among certain of his presidium colleagues over the "new lands" scheme, and, since the June plenum of 1957, he has explicitly cited Malenkov for opposition on these grounds. It is doubtful, however, if the differences between them were across the board.

It has been suggested (most recently by Party Secretary Belyayev, following the removal of Malenkov from the presidium) that Malenkov and Khrushchev differed, as a matter of principle, on the issue of increased yields as against expanded acreage as a means of solving the agricultural problem. This, again, appears to be an oversimplification for propaganda purposes. Malenkov's resignation letter took care to represent the agricultural tax reform, a key measure for raising yields in the older cultivated areas, as party rather than personal policy, and this measure continued in force after his removal. Moreover,

Khrushchev has recognized on more than one occasion, public and private, that extensive cultivation is not a long-term panacea for Soviet agriculture. In March 1955 Khrushchev told an agricultural conference:

> In order to increase grain production up to the necessary amounts under the existing distribution of crops it is necessary to raise the yields sharply and for this it is necessary to increase fertilizer production by several times, which requires enormous capital investments in the chemical industry.
>
> But we can achieve this aim even within a shorter period of time and with small expenditures of funds, if we pay particular attention to corn.

In the same connection, a foreign diplomat reported the following discussion on agriculture with Khrushchev in January 1957:

> /Khrushchev/ said he was pleased by the good harvest in the virgin lands, which meant that Soviet grain requirements for the year were satisfied. However, Khrushchev expressed the view that extensive cultivation was no answer for the long-term needs of the Soviet economy and that a real effort would have to be made re intensive cultivation. This would require fertilizers and the USSR had insufficient fertilizers and not enough factories to manufacture fertilizers. Khrushchev said he hoped something could be done about this, but that the Soviets couldn't do everything at once.*

But, however, the "new lands" program was conceived--whether as a "get-rich-quick" scheme which could strengthen the political hand of its backers, or as a feasible step toward solution of the agricultural problem--there is a good possibility that it was the subject of serious debate in the presidium. It might have been anticipated that it would

*The regime's continued interest in increased yields was reflected in plans to double production of chemical fertilizers under the 6th FYP.

superimpose on the New Course substantial additional demands for financial means, machinery and manpower,** and that it might (as, in fact, it did) set up a competition for resources which would endanger the New Course's consumption goals. It is possible to suppose, knowing what we do about Khrushchev's temperament, that he came to regard the agricultural program as more or less his own private campaign and to make more and more insistent demands for the means to fulfill it. A possible clue to his thinking was his statement to the Hearst party that "the development of livestock farming is impossible without the development of heavy industry, which supplies tractors, agricultural machines, etc. to agriculture." And, in a somewhat different context, a Westerner reported him as saying in January 1956 "that the emphasis on technological progress and productivity of labor was in part due to a desire to halt the flow of labor from the countryside to industry," and "that the alternative of continuing the present rate of increase of plant capacity would have necessitated an increase in the industrial labor force with a resultant drain from agriculture."

It is not unlikely, therefore, that as Khrushchev's strength in the presidium increased he came into personal conflict with Malenkov over how available resources were to be distributed and that the issue came to be drawn for the purposes of political debate in terms of the relative priorities of investment and consumption. This helps to explain, perhaps, why, in resigning, Malenkov was forced to assume responsibility for difficulties in agriculture.

Heavy vs. Light Industry

There is some reason to suppose that the New Course, as first outlined by Malenkov, was really designed to do no more than it claimed--that is, through a concentrated, short-term

**On the basis of 1955 allocations it has been estimated that "the effect of the new lands program on the agricultural budget has been to increase capital investment by about one third and to increase the operational expenditures of the Machine Tractor Stations by about one fourth." With respect to manpower, a Soviet source states that, "Already in the first half of 1954 the number of workers in agriculture (Machine Tractor Stations and state farms) increased by 2,300,000 over the first half of 1953."

effort, to correct the "disproportion" between the output of producer and consumer goods, not to deprive heavy industry of its longer term priority. If this is the case, Malenkov can be taken at face value in his August 1953 speech when he indicated that he foresaw no conflict in priorities:

> Until now it has been impossible to expand the light and food industries at the same rate as heavy industries. At the present time we can, and therefore are obliged to speed up light industry with the aim of a more rapid improvement in the material and cultural well-being of the population....We will expand with all means the heavy industries....We must always remember that heavy industry is the foundation of foundations of our socialist economy, because without its expansion there cannot be assured the further development of light industry, the growth of the potential of agriculture and the strengthening of the defense ability of our country.

In this he was echoed by his presidium colleagues.* It was assumed, or hoped, apparently, that the Soviet economy was capable, over a period of two or three years, of increasing sharply the output of consumer goods while heavy industry continued to expand substantially, though at a somewhat slower rate than in the immediate foregoing period.**

*By Khrushchev, in April 1954, as follows: "Our most important task in the immediate future, is, without weakening our attention to the development of heavy industry, the foundation of foundations of the Soviet economy, to organize a sharp upsurge of agriculture, to increase sharply the production of consumer goods, to supply the population in the next two or three years with sufficient industrial products and foodstuffs, to raise decisively the living standard of the workers."

**Academician Strumilin put it this way: "To raise the level of consumption of the workers by 30-40 percent even over 2-3 years could be considered all the greater an accomplishment in that it would not demand a significant retardation even in the general growth of the means of production...."

Some of the increased output of consumer goods was evidently intended to be at the expense of heavy industry. In 1954, for example, heavy industry was to receive 53 percent of total state investments as compared with 55 percent and 56 percent, respectively, in the 1953 and 1955 plan, while the share of the light, food, and local industries rose from 5 percent in 1953 to 8.5 percent in 1954 plan, falling back to about 7 percent in the 1955 plan. In addition, a portion of the investments in heavy industry were to be used for the production of consumer goods. In the main, however, the increased investment in light industry was to be achieved through a sharp increase in total investment rather than through cuts in heavy industry's share.

Some of the means for this increased investment was probably to come from the general growth of the economy, and from discontinuation of some of the investment-hungry "great Stalinist projects." An additional source may have been sought in some reduction in the share of a major claimant to production, defense. This is suggested by the fact that explicit defense expenditures in 1954 were planned at a level 10 percent below the 1953 plan, although total investment from the budget was to increase by approximately 20 percent. It is, of course, risky to draw conclusions in terms of the over-all Soviet defense picture from this kind of data, since direct allocations to the Ministry of Defense through the budget account for only part of the total defense outlay. Nevertheless, the shift of expenditures between 1954 and 1955, viewed together with the progress of arrangements for West German rearmament and the elevation of Marshal Zhukov to the post of defense minister, suggests that defense considerations played a major part in the reexamination of economic policy which preceded Malenkov's ouster.

Increased investment under the New Course and the increase in income of workers and peasants which resulted from the government's fiscal policies, added to the need to halt the flow of manpower from the countryside, enlarged the significance of labor productivity. Unless the increase in labor productivity kept pace with the increase in the wage fund the state savings needed for increased investment could not be accumulated. In fact, however, labor productivity failed to increase at the expected rate. It grew by only 7 percent in 1954 and at the end of the year was well behind

the schedule set in the Fifth Five-Year Plan.* In an effort to fulfill its production goals the government was forced to resort to the expedient of increasing the labor force beyond its intentions.

The problem was complicated by the fact that the consumer goods goals were not fully met, largely because a sufficient increase in agricultural output did not materialize, and, consequently, purchasing power ran ahead of available supply. The effect of the government's policies was thus to increase demand before it was able to provide the consumer goods to meet it and, therefore, to vitiate the incentive element in its program. In a March 1955 conversation with a foreign diplomat in Moscow, Khrushchev reportedly criticized Malenkov directly on this score, alleging that he had "created demands in the Soviet people without having created the capacity for satisfying them." Much the same point was made by Kaganovich, who remarked to a Western diplomat that "it was a mistake to raise the standard of living too quickly as this produced demoralization and lack of discipline among the population." But, though it had failed to meet its goals, the program had apparently had the further undesirable effect of putting a drain on state reserves, a condition which Bulganin, in his first speech as premier, said could not be allowed.

Confusion in the Ranks

Towards the end of 1954, apparently, there was a fair amount of perplexity as to the regime's aims and intent. [redacted] has described a meeting of ideologists and economists [redacted] in Moscow in December 1954. "When the subject of relative stress on light and heavy industry came up for discussion," [redacted] "there was a situation amounting to 'bourgeois liberalization,' with every man expressing his own interpretation of the party position. It was complete disorder and the first

*According to Soviet statistics, labor productivity increased only 33 percent for the 1951-54 period, whereas real wages increased 37 percent. From the point of view of the Soviet leadership, such a relation between these rates of growth is highly unfavorable, because it tends to constrict the surplus available for investment and hence the rate of growth of the Soviet economy.

step to a right-wing deviation." He stressed that absolutely clear directives must be issued by the party on a central issue like that of economic policy in a Communist state."

It was said again and again, once the full-scale campaign of "rectification" was begun in early 1955, that the regime had always based its policy on the primacy of heavy industry. In a strictly literal sense, this was true. Malenkov's statement on this point in his keynote speech of August 1953 (see p. 13 above) remained as the official position throughout the New Course. Nevertheless, the relatively high consumption targets, by virtue of their novelty and the very heavy emphasis they received in propaganda, must have seemed to many to be the core of the New Course.

Once the regime concluded that it had overreached itself in the New Course, the false hopes which had been raised had to be put down and it chose to do so, typically, by calling out the hobgoblin of ideological deviation. Suitable targets were found in the persons of a number of economists who had come through the opening in the ideological front to propose that (in Khrushchev's words to the January 1955 plenum) "at a particular stage of socialist construction the development of light industry can and must overtake all other branches of industry."

It remains an open question to what extent the errant economists had become involved in the tug-and-pull among high-ranking figures. It is possible that some of them at least had merely tried to find theoretical groundwork for what they supposed was approved policy, and that their greatest sin was failure to foresee an impending change in line. Indeed, until late 1954, the consumer goods line seemed to be still intact, though there had been some signs of wavering in earlier months. One of the earliest of these signs was an article by the economist K. V. Ostrovityanov in the March 1954 issue of Kommunist which said that to let consumer goods production run ahead of capital good production was undesirable in the Soviet economy. However, a new edition of the official party textbook Political Economy, published in August, once again reaffirmed that, in certain periods, consumer goods production could outrun producer goods output, while three months later, in the November anniversary speech, Saburov also suggested that the New Course

would remain in effect.* It was curious, therefore, that the slogans issued for the anniversary did not, as had the slogans issued the year before and at May Day 1954, give it as a goal of the regime "to satisfy abundantly in the next two to three years" the population's requirements in foodstuffs.

In December, signs of the coming shift multiplied. In a keynote speech to a Soviet construction conference which met on 7 December (the speech was not published until 28 December), Khrushchev appeared to stress more than usual the importance of heavy industrial development. On 21 December, the anniversary of Stalin's birth, Pravda and Izvestia published commemorative articles, the former's authored by V. Kruzhkov, then the chief of the central committee's department of propaganda and agitation, and the latter's by F. Konstantinov, also a prominent publicist. Kruzhkov came down hard on the point that heavy industry was the be-all-and-end-all of economic policy, omitting entirely the conventional promises to the consumer. Konstantinov, by contrast, made only a polite bow in the direction of heavy industry and continued to speak blithely about "forcing the production of consumer goods." This was unquestionably a meaninful divergence, but it is less certain that the two newspapers were consciously at odds with one another. If these two central organs had, indeed, momentarily broken ranks and were lending themselves to the exposition of conflicting views on a major policy issue, it seems that Izvestia would have been forced to admit its error once the heavy vs. light line had been dogmatically defined.** It might have been expected, too, that the Izvestia author would have paid a price for being on the wrong side, but, to all appearances, Konstantinov has prospered since the end of 1954. In March 1955 he was identified as rector of the Academy of Social Sciences, in April or May

*"This year," Saburov said, "a start has already been made on practical accomplishment of this /consumer goods/ program," thus implying that more was to come.

**The monthly journal Problems of Economics, which had published an article by one of the condemned economists in September 1954, apologized for its error in its March 1955 issue, after failing to appear during the first two months of the year.

he was added to the editorial board of Kommunist, and by the following autumn he was in Kruzhkov's former job as head of Agitprop.

It may have happened that Izvestia was routinely purveying the line which had been in force just as a new one was emerging on the pages of Pravda. The Pravda article probably signified that the presidium decisions which meant the end of the New Course had finally been taken. Delay in the refinement of the propaganda orchestration may account for Izvestia's having been, for a time, awkwardly out of tune.

By the following month the line was crystal clear and a full-scale attack was begun against the advocates of consumption preference. The high points were Shepilov's denunciation in Pravda for 24 January of "right opportunists," and Khrushchev's still rougher language before the January plenum of the central committee, where he accused certain theoreticians of "reurgitation of the right deviation, regurgitation of views hostile to Leninism, views which Rykov, Bukharin and their ilk once preached."

There was a certain danger, in an ideological sense, in the propositions put forward by the condemned theoreticians. In arguing that the Soviet economy had progressed to a point where it was not only possible but necessary to develop light and heavy industry at equal rates, it may have seemed that these economists were attempting to convert a temporary line of policy into a dogma and, thus, to limit the regime in its right to promulgate economic laws in its own political interest. It is possible, too, that the handful of professional economists who were cited by name were merely the exposed salient of a more or less widespread body of thought.

The charges of theoretical heresy were probably, in part, the reflex action of a regime long accustomed to rationalizing its policies in the pseudo-theological language of Marxism-Leninism, and, in addition, a sign that it wanted no one to miss its propaganda point.

Publicly at least, Malenkov was never tied directly to the heavy-light industry heresy. Khrushchev seems deliberately to have avoided this charge in his conversations with foreigners, though he freely ascribed other sins to Malenkov. Certainly, it would have been incongruous in Communist terms if Malenkov had remained on the presidium after having been publicly stigmatized as a "right deviationist." However,

party members who were familiar with the contents of the central committee document on Malenkov's resignation were told that "by his emphasis on light industry, he advocated slowing down the tempo of heavy industry construction," and "termed this a rightist deviation." Thus, the threat of further disgrace was left hanging over Malenkov's head.

The Political Problem

At the end of 1954 there was no lack of substance for policy controversy within the Soviet presidium. The goals of the New Course had proven overambitious. The investment squeeze which had developed brought the question of priorities to the front and indicated that, as between heavy industry, defense, agriculture and consumer goods something had to give way. The approach of a new Five-Year Plan period, the impact of international events and significant technological developments on Soviet defense needs, to which might be added the unknown quantity of the USSR's economic commitment to Communist China and other bloc members, are some of the factors which converged to demand a readjustment of policy then and there.

Whether the policy issues were in themselves large enough and deep enough to bring Malenkov down or whether a conflict of political ambitions was the real starting point, seems to be still, three years later, a chicken-and-egg question. It remains a matter of speculation as to how deeply Malenkov was personally committed to the New Course and as to whether he carried the issue of its continuation to a point from which it was impossible to retreat. The Soviet leaders themselves had, of course, tried to picture "collective leadership" as a well-oiled machine and to minimize the likelihood of malfunctions--sometimes protesting a little too much.* However this might be, it was difficult not to see in the circumstances of Malenkov's resignation, with its degrading admission of incompetence, in his appointment to an inferior post, and in some of Khrushchev's comments to

*A prime example of this is Malenkov's resignation letter: "One may expect," he said, "that various bourgeois hysterical viragos will busy themselves with slanderous inventions in connection with my present statement and the fact itself of my release from the post of chairman of the USSR Council of Ministers, but we--the Communists and the Soviet people--will ignore this lying and slander."

foreign diplomats on the subject, an element of personal animosity and revenge. While the circumstances of the policy shift may have called for a high-ranking scapegoat, there was, nonetheless, a contrast between the treatment of Malenkov and the graceful exit from the Ministry of Trade (24 January 1955) and subsequent promotion to a first deputy chairmanship of the Council of Ministers (28 February 1955) of Mikoyan, who had been hardly less concerned in the consumer goods program.

There can be little doubt that Malenkov's political stock had declined considerably between March 1953 and January 1955 and that Khrushchev's had risen sharply. At the time of Stalin's death, there were signs that Malenkov was poised to become the new Soviet autocrat. His starring role at the 19th party congress a few months earlier had seemed to stamp him as Stalin's most likely heir. Two days after Stalin's death he was named premier of the new government. He had become, at the same time, the senior member of the party secretariat. Whether from habit or under orders, the press began what appeared to be a build-up of the new chieftain, and on 10 March Pravda published its famous cropped photograph, which reduced a group scene to the trio of Malenkov, Stalin, and Mao.

On 21 March, however, the press announced that on 14 March a plenum of the central committee had accepted Malenkov's resignation from the secretariat. Khrushchev at that point became its ranking member. Malenkov suggested the reason for this change in a speech to the Supreme Soviet on 16 March; a source of strength to the leadership, he said, was its "collectivity," a point which neither he nor anyone else had thought to mention at Stalin's funeral a week earlier. Sometime between these two dates, evidently, the members of the presidium had been obliged to sit down together to work out an arrangement for the division of power. If any one event marked the beginning of Malenkov's descent from the apex of power it was this--the loss or surrender of his pre-eminent place in the party organization, within which, almost exclusively, he had made his mark through the kind of maneuver and manipulation which leads to power in the arena of Soviet politics.

During March and the following months the government was reorganized and a number of important party posts were reassigned.* The guiding purpose was to ease the regime through its postnatal period, but there were also signs of political maneuvering in a number of irregularities which accompanied the process. In March, A. I. Kozlov, minister of state farms, was appointed head of a consolidated agricultural ministry and I. A. Benediktov, long-time minister of agriculture, was somewhat incongruously appointed ambassador to India. After the arrest of Beria, however, Benediktov was recalled from New Delhi, and in September was named to head a newly organized Ministry of Agriculture and Procurements. Kozlov was, at the same time, appointed to the lesser post of minister of state farms. Also in March, M. Z. Saburov, though retained on the party presidium to which he had been elevated at the 19th party congress, was relieved from Gosplan, which he had headed since 1949, and appointed minister of machine building. The transfer was reversed on 20 June, and he once again became Gosplan chairman. M. D. Bagirov, party chief in the Azerbaidzhan Republic, was made a candidate member of the party presidium in March only to go down in a July purge of Beria followers. In April, there was a party shake-up in Beria's native Georgian Republic and, in June, L. G. Melnikov was removed as first secretary of the Ukrainian party, in a move which there is reason to believe was engineered by Beria.

It is probably not possible to trace all of these results to a single cause, but Beria's hand was clear in some of them and it is almost certain that he was making a none-too-subtle play for power in defiance of the new, unwritten rules of "collective leadership."

An earlier collaboration with Beria was among the charges reportedly made against Malenkov at the January 1955 plenum. There is, indeed, some evidence pointing to an alliance between the two at various times in Stalin's late years, and the threat of its renewal may well have alarmed the other members of the presidium. Malenkov, however, had apparently himself turned on Beria and reportedly joined in the decision which led to Beria's arrest and execution. But while this fact may have helped to save Malenkov from total

*The circumstances in which the first post-Stalin regime was formed and the series of reorganizations effected in succeeding months are discussed in detail in CAESAR 2.

political extinction in 1955, the threat of subsequent damaging revelations with respect to his involvement in police terror was kept alive. When, for example, announcement was made in December 1955 of the execution of former MVD chief Abakumov, there was a reference to the latter's criminal complicity in a "Leningrad case." The public implication of Malenkov in the same case after his expulsion from the presidium in June 1957 plainly suggests that the earlier reference had been a barb for Malenkov.

Political neutralization of the police and a general loosening of the mechanism of repression continued after Beria's arrest: in late June a new man was appointed to head the procuracy, and thereafter procedural revisions were introduced to limit the power of that organization; a mop-up of Beria adherents began and there were further purges of high police officials; finally, in April 1954 a Committee of State Security, presumably subject in principle to collegial control, was formed.

But Beria's arrest removed the immediate threat to "collective leadership" and opened the way to the formulation of new domestic policies. Within two months of Beria's arrest Malenkov was before the Supreme Soviet to announce the New Course. The interrelationships of "collective leadership" were by no means firmly fixed, however, and the competition for power continued, though in a more gradual and less violent way. Malenkov had evidently reached his high water mark at the August Supreme Soviet. By September, Khrushchev was established as first secretary of the party and was busy laying down agricultural policy before a party plenum. Numerous changes in party personnel followed, of which the most important was the November 1953 shake-up of the Leningrad party organization, over which Khrushchev himself presided. The result was the removal from leadership of the Leningrad organization of V. M. Andrianov, possibly a Malenkov adherent, and his replacement by F. R. Kozlov, who subsequently emerged as a Khrushchev partisan. At the February-March 1954 plenum of the central committee Khrushchev was again the spokesman on agricultural policy--this time the New Lands program. In April he put another feather in his cap by addressing the Supreme Soviet, a governmental body, on equal protocol terms with the premier, Malenkov. The introduction, in June, of alphabetical listings of the leaders' names, ending the previous practice of listing Malenkov first, was in keeping with the "collective" idea, but also a formalization of Malenkov's loss of precedence. Khrushchev had, in the meantime, begun to accumulate publicity

and prestige from his vigorous stumping on behalf of the New Lands program and had begun to develop his own style of "ward-heeling." His appearances at party congresses in Warsaw and Prague in the spring of 1954 and his trip to Peiping as head of a Soviet delegation in September were further indications of his rising importance in the Soviet hierarchy. By the end of 1954 he was receiving extensive notice in the Soviet press partly on the basis of sheer activity and partly, it seems, on the basis of an officially inspired build-up. The latter was especially evident in an attempt to magnify retrospectively his and Bulganin's personal roles in the war at the expense of the State Defense Committee, of which both Malenkov and Stalin had been members.* In December he gave the principal address to a construction conference held in Moscow, thus, apparently, laying public claim to authority in an area outside agriculture.

Fear of Malenkov's ambitions may have assisted the rapid political ascent of a man who seemed a comparatively secondary figure in March 1953. In view of what he has shown since in the way of assertiveness and political skill it must now seem unlikely, however, that his backing initially derived simply from an urge in the presidium to set up a buffer against Malenkov. With the party as footing and his own native boldness as a club, he began to challenge Malenkov's primacy at a very early stage and, when the challenge had succeeded, was able to make his own views on policy stick.

The conflict between the two men seems to have been fought out to some extent in terms of rival claims to competence and authority on the part of the institutions of party and government. In part, this was probably a result of a natural tendency of each to use the weapons at hand, but it was apparently converted along the way into a political and ideological issue. Thus, [redacted] Khrushchev complained [redacted] in March 1955, that Malenkov had tried to run things through the government apparatus rather than through the party. This was also the implication of Bulganin's pledge, in accepting the premiership, that "the Council of Ministers will also in the future faithfully carry out the policy worked out by the Communist party."

*Beginning with a 5 March 1954 Trud article commemorating Stalin's death.

Khrushchev undoubtedly profited from a policy designed to "reactivate" the party--a policy which he naturally did everything possible to promote. August 1953 was the first and last time that major policy was enunciated initially before the Supreme Soviet--thereafter, and with increasing frequency, the central committee provided the forum whenever the regime saw fit to discuss its intentions outside the presidium.

There were good reasons, both theoretical and practical, behind the policy. The regime not only needed a substitute for the primitive (but, in its way, effective) symbol of the "vozhd" represented by Stalin, but it also needed a clear institutional channel for the transmission of the authority vested in the centralized state. The various instruments of control and persuasion had been personalized by Stalin and the distinctions between them had become, to some extent, blurred. Moreover, after his death, the scope of police authority had been limited. Partly as a result of this, the army gained importance as a reserve of coercion and its prestige increased. But the party, though its spirit of uniqueness and initiative had been dampened under Stalin, had the whole weight of theory and legitimacy on its side. It had in Khrushchev, moreover, a first secretary who would prod it into exercising its rights and would forcefully reassert its primacy in Soviet life.

A New Tone to Policy

With the events of January-February 1955 the New Course phrases about forcing the development of light industry passed into oblivion. The change was also reflected in a reallocation of resources in the 1955 budget, announced to the February session of the Supreme Soviet.

The factors of economic growth, defense preparedness, popular morale, and labor productivity were still interdependent, however, even though the Bulganin government had decided, in effect, to enter the circle at a different point. The pressure for rationalization of the economy, and, with the movement away from the Stalinist method of virtually undiluted coercion, the need for some accommodation to the popular urge for a "better deal"--an improved diet, better housing, a more equitable return on labor, and more leisure--remained to be dealt with. In succeeding months the Bulganin government introduced a number of new measures which looked in that direction.

As before, the regime's domestic goals conditioned and were conditioned by its foreign policy. The creation of an international setting which would permit the extension of Soviet influence without the risk of nuclear war remained a prime objective of that policy. After a brief interlude in which there were signs of a reversion to the old glowering inflexibility, a new period of diplomatic maneuver opened, characterized by a greater boldness and mobility than the preceding one. The addition of the word "competitive" to the phrase "peaceful coexistence" was a revealing expression of a new strain in Soviet thinking--a belief that success came from a spirit of initiative and aggressive self-confidence--in which the Khrushchev personality shows through. Within a half year the Khrushchev-Bulganin team had undertaken two major ventures--the visits to Belgrade and Geneva--and had begun in earnest to seek a foothold in the Middle East, all of which, though not inconsistent with the "peaceful coexistence" of the Malenkov government, represented a considerable extension of that policy.

Economic Readjustment in 1955

The 1955 budget revealed a shift in the pattern of allocations to the economy. Allocations to the heavy industry sector went up to 101.2 billion rubles, an increase of approximately 27 percent over planned allocations in 1954, although budget expenditures within the over-all category "Financing the National Economy" were to rise by only about 2.8 percent above the level planned for 1954 (approximately 4.2 percent above actual expenditures in 1954). Direct outlays from the budget for defense were to increase by nearly 12 billion rubles, an increase of about 12 percent. At the same time, allocations to light industry were to be reduced from a planned 12.6 billion rubles in 1954 to 10.6 billion rubles. In absolute terms this was not a sharp reduction, especially if the 1955 planned allocation is measured against the amount which was actually used up in 1954. It has been pointed out, however, that "one must properly compare, not 1955 with 1954, but 1955 with what 1955 should have been if the post-Stalin economic policies had been pursued." If this yardstick is used, the change in emphasis shows clearly.

Figures on the relative rates of growth of the producer and consumer goods sectors in 1955 shows an even more pronounced change than was foretold in the budget. The upward revision of the annual production targets, undertaken after the over-all production goals of the Fifth Five-Year Plan

had been met in May, apparently placed additional emphasis on heavy industry. According to Soviet statistics the volume of output of producer goods increased by approximately 15 percent as compared with an increase of approximately 8 percent in consumer goods output, whereas in the preceding two years the rates of growth in the two sectors had been nearly equal. (see footnote, p. 8)

In conjunction with the cutback in light industry, the regime acted to constrict purchasing power--by enlarging the budget surplus and by canceling some of the fiscal concessions granted during the preceding two years. The state loan was upped to the pre-1953 level and the price reductions granted annually since 1947 were withheld.

On the heels of the shift in economic emphasis a revision of propaganda formulas took place. The press continued to thunder intermittently against the economic "heretics" for several months, but, in the meantime, the enticing phrases of the New Course had been universally replaced by a guarded promise of "a further development of the light and food industry."

In both word and deed, therefore, the government had reduced the consumer's expectations to a more reasonable level. It does not follow from this, however, that the regime had come to reject entirely the New Course assumption that increased consumption was important to higher labor productivity and improved morale. The difference between the new policy and the one which had preceded it was, at least in the abstract, more one of timing than of intent (although the policy debate did not have to be any the less heated for that); and there is reason to suppose that the regime regarded consumption as something which could be postponed but not permanently ignored. In a conversation with a Westerner in Moscow, Khrushchev used the word "premature" to describe the Malenkov government's emphasis on consumer goods but went on to predict that "a second or third five-year plan from now" would see light industry grow at a more rapid rate than heavy.

An interesting sidelight on this can be found in a Pravda article of 27 March. Apparently the new line was interpreted in some overzealous quarters to mean that consumption was virtually anathema. The Pravda article, written by Ostrovityanov, one of the regime's top economic spokesmen, set the record straight for these people, too, and, in the process, gave one of the fullest expositions of the thinking

which underlay the policy change to appear in the Soviet press. It is interesting also because of its implicit defense of the New Course's intent:

> Soviet public opinion has firmly condemned the anti-Marxist reasoning of certain economists who deny the law of preponderant development of heavy industry under socialism. However, there have been found economists who took this criticism dogmatically, pedantically, and went to the opposite extreme. They began to maintain silence on the party and government decisions on expanding production of consumer goods, on a sharp advance in agriculture, on further development of the light and food industries in proportion to the growth in raw material resources produced by agriculture.
>
> These economists are ignorant of the fact that the requirements of the objective economic law of preponderant growth of production of the means of production can be met only on condition that there is proportional development of all branches of production.
>
> In the course of the development of the socialist economy individual branches may lag, as a consequence of which partial disproportions arise in the economy. To eliminate these disproportions the lagging branches, insofar as the necessary material prerequisites are created, must develop at forced pace for a certain period of time. But this by no means contradicts the fact that the firm basis of the general line of development of the socialist economy is the law of preponderant growth of the means of production.

Continuation of the Agricultural Effort

The search for a firmer agricultural base was reflected in a further increase in budget allocations to that sector in 1955. The New Lands program again accounted for a sizeable proportion of the total (see footnote, p. 12). Agricultural policy, in general, now had four primary features, outlined by Khrushchev as follows: "yields in all areas must be increased, harvesting losses decreased, virgin and idle lands reclaimed and the area sown to corn considerably expanded."

This last, a program to increase the area sown to corn from 10,000,000 acres to 40,000,000 acres during 1955 and to 70,000,000 acres by 1960, was another device for increasing the supply of livestock fodder. Introduced by Khrushchev at the January plenum of the central committee, the corn program, like the New Lands program, matched the prospect of a quick return against the economic risk involved over the longer run. And like the earlier venture it seems to have had behind it both the authority and personal interest of Khrushchev. Speaking to the central committee of his republic on 15 February 1955, Ukrainian party leader Kirichenko described it as though it were Khrushchev's personal project, stating that "The spread in every possible way of corn growing, as is known to many of you, has long been the dream of Comrade N. S. Khrushchev. He helped us to understand the great importance of corn growing for the national economy."

An extensive propaganda campaign in support of corn cultivation was reinforced, during the spring of 1955, by a number of regional agricultural conferences. Khrushchev was on hand to make long speeches which stressed the regime's insistence on immediate implementation of the new agricultural directives. Resort was also had to the incentives device: a decree of 21 May 1955 made it possible for the peasant to receive up to 15 percent of the harvested corn crop in grain or silage.

Revision of Agricultural Planning

Ever since Stalin's death the regime had tried to come to grips with the problem of overcentralization and over bureaucratization of the economy. Under the Malenkov government this had produced legislation designed to reduce the size of the administrative apparatus and the volume of paper work; to effect some decentralization in the economic structure through the creation of Union-Republican ministries in a number of industries which had theretofore been managed from the center; and to give executives below the top somewhat greater authority in plan formulation. The press freely admitted that the topheaviness of the economic structure was an obstacle to flexibility and initiative and that these effects were especially pernicious in agriculture.

At the February-March 1954 plenum of the central committee, Khrushchev had declared:

> Local personnel are quite correct in raising the question that our planning is too centralized. This prevents the utilization of existing opportunities, hampers the creative initiative of the collective farmers and weakens their personal self-interest in increasing yields. . . . We should establish a planning procedure which would retain planned state guidance over the development of agriculture at the same time that it released local initiative.

Malenkov had also addressed himself to the subject in a speech to the April 1954 session of the Supreme Soviet, where he declared that the central planning agencies attempted to encompass too much detail "without the requisite knowledge of diverse local conditions and potential" and "such planning creates difficulties in the work of local areas and binds the initiative of local agencies."

With these considerations in mind the central committee and the Council of Ministers issued a joint decree on 9 March, "On Revising the Practice of Planning Agriculture." The effect of the decree, in brief, was to abolish the practice of setting both the output targets and production pattern for each agricultural unit from the center. Thenceforth, although the delivery quotas were still to be centrally determined, the collective and state farms were to work out for themselves the pattern of utilization of acreage and herds. It was specified, however, that this was to be done in consultation with the MTS and was to be subject to review by the local governmental organs.

Although it gave some encouragement to local initiative, provision was also made for ensuring control from the center with the announcement on 5 April that a new urban levy was to be raised and shifted to the countryside. By July 1955, according to Pravda, 30,000 "experienced members of party, government, business and engineering-technical staffs, and manual and office workers" were to be assigned to the chairmanships of backward collective farms. This meant that nearly one third of all collective farms were to be given new chairmen, on the premise, as Khrushchev put it in typical fashion, that "if there is a real organizer at the head of every collective farm we will be able to bring any farm up to the level of an advanced farm within a short time." Although some provision

was made for the training of the new chairmen and their orderly integration into the collective farms,* familiarity with and responsiveness to the regime's purposes seems to have been a more important criterion of selection than agricultural expertise. A case in point is a certain Grigorev, who was converted from district prosecutor to chairman of a collective farm in the Moscow Oblast. He was held up as a model of the new type of chairman by Khrushchev at a local agricultural conference, mostly it seems, on the strength of a speech which faithfully parroted the latter's own ideas on agriculture.

Limited as this revision of agricultural practice was, there can be seen in it the germs of the much broader scheme of economic decentralization undertaken later, in 1957. The regime had been confronted for some time with the problem of more rational organization and there were signs in 1955 that it was even then mulling over further changes. Pravda reported in May, for example, that at an industrial conference in Moscow "Comrade Khrushchev devoted much attention...to questions of planning. He pointed out that it was necessary that we plan production not only on a nationwide scale but also according to particular economic regions, making wider use of all their potentialities."

Along similar lines, Bulganin told the July 1955 plenum of the central committee:

> The principal shortcoming in the activity of our ministries with regard to leadership of industry consists in the fact that they do little work on the direct organization of production, but direct the plants, factories and mines that come under their spheres of competence from their offices, making use of a large and multilevel apparatus....
>
> If the quality of the industry's leadership is to be improved, the administrative apparatus must be brought closer to production....

*The selectees were to take courses locally and to work for a trial period on the collective farms. If this had not prepared them adequately they might be assigned for a time as assistant chairmen and, if still unacceptable, eventually rejected altogether.

> ...excessive centralization has arisen in the leadership of industry. A great number of enterprises are directly subordinate to the union ministries, although the republic organizations could successfully carry out the guidance of them. Such centralization is not beneficial. On the one hand, it hinders the organization of operative and concrete management of enterprises, and, on the other hand, it diminishes the responsibility of republic economic, party and soviet organizations for the work of industry....
>
> Ministries must decisively decrease the types of items produced by individual enterprises, free specialized enterprises from turning out production for which they are not intended, create new specialized enterprises and expand cooperation inside and among ministries, bearing in mind the interests of individual economic areas.

The Search for New Economic Stimulants

In May the government convened an industrial conference in Moscow at which Premier Bulganin presented a general review of the perspectives of the industrial economy. He proposed several innovations which supplemented the earlier measures for decentralization and administrative reorganization and were primarily designed to meet the problem of unsatisfactory labor productivity and a diminishing labor pool. The appropriate enabling legislation was enacted by the presidium of the Supreme Soviet later in the month.

Increased labor productivity, Bulganin told the conference, was vital to further economic growth. A key to this increase was technological progress and he called for the modernization of Soviet industry, with stress on mechanization, automation, and technological innovation in the production process. There was, he indicated, a widespread tendency among industrial managers to seek safety in familiar ways and, consequently, a resistance to change. Among scientists and technologists there was insufficient appreciation of Western advances--a holdover, although he did not say so, from the xenophobia of Stalin's last years. To remedy these defects he proposed that a State Committee on New Technology be set up under the USSR Council of Ministers--thus recreating an organization which had existed from 1948 until 1951 when it was absorbed into Gosplan. The committee (Gostekhnika) was formally established, under the chairmanship of the late V. A. Malyshev by a decree of 28 May

1955. Its assignment was to draw up current and long-range plans for advancing Soviet technology, to devise incentives to and means for propagating technical innovations (both home-grown and foreign), and to coordinate the efforts of the ministries in this sphere.

The planning apparatus, Bulganin indicated to the conference, was to undergo a reorganization designed to overcome two major weaknesses: the mechanism was so cumbrous that it frequently failed to provide production units with annual targets until the plan period was under way, and, conversely, it was so preoccupied with current business that it tended to lose long-term perspective. Accordingly, Gosplan was to be divided into a State Commission for Current Planning (Gosekonomkommissiya) and a State Commission on Long-Range Planning (retaining the title Gosplan). The proposal became law on 25 May. Gosekonomkommissiya, under M. Z. Saburov, who had been chairman of the combined organization, was given responsibility for drawing up the annual plans and overseeing their breakdown into quarterly and monthly sections, and, also, responsibility for assuring the even production and distribution of materials and equipment throughout the economy. The new Gosplan, under N. K. Baibakov, who had been minister of the oil industry, assumed responsibility for the five-year plans; for formulation longer term plans for the development of key sectors such as fuel and power; and, more generally, for gauging future economic prospects with a view to determining "at what time the various branches of /Soviet/ industry will overtake the most advanced capitalist countries in per capita production."

This process of organizational manipulation continued with the creation of another new committee--the State Committee for Labor and Wages of the USSR Council of Ministers under L. M. Kaganovich, who had held a variety of economic posts in his long party career and was, like Saburov, a member of the party presidium. Creation of the committee was an additional response to the problems of unsatisfactory labor productivity and undesirable mobility in the labor force. Its task was to undertake the first comprehensive revision, since 1931, of the wage system. As Bulganin pointed out at the July plenum, the system had become over the years something of a crazy quilt of frequently revised and ofter disparate norms, complicated schedules of bonuses and piece rates, and did not take account of technological change.

## Renewed Diplomatic Activity

Against a backdrop of increased military spending and a propaganda attack on the Paris Agreements which had produced a good deal of truculent language, there was a suspicion outside the USSR that the accession of the Bulganin government foreboded a harder line in Soviet foreign policy. Nor was the obvious ascendancy of Khrushchev particularly reassuring, since he had, till then, given the appearance of a bellicose "doctrinaire" who lacked Malenkov's subtlety and flexibility. This impression was strengthened, on the day the new government was announced, by Molotov's harsh foreign policy report to the Supreme Soviet. It heaped one on top of the other charges of Western aggressiveness and bad faith, contained hardly one conciliatory phrase, and was capped by a boast of Soviet nuclear superiority.

At the same time, however, there were signs at variance with this picture of renewed intransigence. Just before the Supreme Soviet met, the Hearst party, then in Moscow, was unexpectedly informed that it could interview Khrushchev, Bulganin, Molotov and Zhukov. Some of the interviews took place before the 8 February Supreme Soviet session and some after, but it soon became apparent that they were arranged with an eye to balancing the impression which the governmental change and Molotov's speech might create in the West. At that juncture, the Hearst party provided a convenient medium of communication with the non-Communist world. The comments which the interviews produced were consistently moderate and seemed to have a single purpose--to assure the West that the USSR was still interested in "peaceful coexistence." One member of the Hearst group has offered this explanation:

> I think the Soviet leaders wanted to offset through conciliatory statements to us the effect of the violent attacks which they decided Foreign Minister Molotov and Premier Bulganin must make against the United States in the Supreme Soviet.
>
> I believe the intensity of those attacks against us was prompted by a desire to offer the Russian people a scapegoat for the decision to curtail the production of consumer goods in order to concentrate once again on heavy industry.

In mid-January the Soviet ambassadors to France, Great Britain, the United States, and East Germany and the Soviet high commissioner for Austria had been recalled to Moscow. Very

probably Soviet foreign policy, particularly as it concerned Western Europe, was undergoing re-examination in the light of current domestic and international developments. The divergence between the attitudes displayed in the Hearst interviews and before the Supreme Soviet may have meant that cross-currents were at work within the regime and that it was facing a choice between "hard" and "soft" lines of policy.

However, the adamancy and "sabre-rattling" displayed before the Supreme Soviet did not strike an entirely new note. They were to some extent, probably, the tag-end of the campaign against the Paris Accords, which, toward the end of 1954, had become full of bluster and threat. Much was made in propaganda of the new war danger posed by German rearmament. In January, propaganda broadcasts warned that, in the event of a new war, "all the consequences of atomic warfare will come crashing down on the British Isles" and that the war would "sweep onto the American continent as well." Britain and France were notified that the USSR would annul its treaties of alliance with them if they ratified the Paris Agreements. In December 1954 a bloc security conference had been convened in Moscow to discuss the formal establishment of a military counterpart to NATO, and at about this time there were signs of renewed pressure on Allied forces in Austria and Berlin.

A further threat was contained in reiterated hints that German rearmament would preclude further negotiation between the USSR and the West on European problems. In the midst of these tirades, however, there were signs that the USSR was already preparing for the next diplomatic phase. On 15 January it put forward revised proposals on all-German elections and called for the establishment of diplomatic relations between itself and the German Federal Republic. On 25 January the Presidium of the Supreme Soviet formally ended the state of war with both parts of Germany. A hint of another Soviet initiative was contained in Molotov's statement on Austria before the Supreme Soviet on 8 February, which foretold the negotiations which led to the signing of an Austrian Treaty on 15 May. Even Molotov, presumably, was reckoning with the likelihood that German rearmament would be formally approved and was contemplating means to hobble its implementation.

On 26 March, Premier Bulganin stated that the USSR took "a positive view" toward the suggestion of great power negotiations contained in President Eisenhower's statement three days earlier, and thus took the first step, on the Soviet side, toward the July Summit conference. In May the USSR made a

further effort to re-establish a negotiable position by offering disarmament proposals which accepted many of the points in the Anglo-French position. The opening of a new phase in Soviet policy was further marked in that month by the announcement of a Soviet-Yugoslav meeting "at the highest level" and the first Soviet offer of arms aid to Egypt.

Important elements in the post-Malenkov "activist" policy seem to have been present at the time of his ouster or to have emerged soon thereafter.* If this is true, then the breast-beating in February is, perhaps, best seen not so much as a policy interlude as an attempt to provide a setting for what was to follow. It was partly for the benefit of the Soviet public, which was obliged to scale down its expectations of a rapid improvement of the living standard, and partly a means of projecting an image of strength and self-confidence to the outside world at a moment when the Soviet leadership was showing signs of instability. It was probably no coincidence that at the same time a small tempest was stirred up, first by Molotov and then by a number of others,** around the question of whether "civilization" or only the capitalist world would be destroyed in a nuclear war? Whether this was also a veiled attack on Malenkov, who had referred to the possible "destruction of civilization" in a March 1954 speech, is still a matter for conjecture.

Molotov's "tough talk" was, therefore, probably not exclusively the expression of his own hidebound point-of-view. Nevertheless, there had already been signs, subsequently confirmed, that Molotov was not enthusiastic about the foreign policy approach adopted after Stalin's death and had begun to "swim against the stream." His omission from the delegation to

*There is some reason to suppose that the groundwork for the Belgrade conference was laid before Malenkov's removal. For a discussion of this point see below pp. 44-45.
**The "destruction of civilization" idea was denounced by, among others, Maurice Thorez in a 3 March letter to Humanité, by Konstantinov in the 5 March Pravda, and by Voroshilov before the Russian Republic Supreme Soviet on 26 March.

Peiping in September-October 1954 suggested a declining influence on Soviet diplomacy. Later in the year, on two separate occasions, Western diplomats detected what appeared to be resentment in the usually inscrutable "stone bottom" and conjectured that his foreign policy views had come under criticism in the Presidium. Later on, in his February 1955 interview with the Hearst party, he left the impression that, though his words were much the same, his attitude was distinctly more frigid than Khrushchev's, Bulganin's, and Zhukov's. In succeeding months, indications of his diminishing role in Soviet diplomacy accumulated, as Khrushchev and Bulganin more and more took public command. He took a back seat at the bloc security conference which met in Warsaw in May; and in Vienna for the Austrian Treaty negotiations during the same month, he himself hinted at retirement from the Foreign Ministry. Because of his opposition to reconciliation with Tito, he was left out of the Soviet mission to Belgrade and at the Summit conference in July he once again played a secondary role.

Molotov's whole approach to foreign policy--his attachment to the "ossified forms of diplomacy" which Mikoyan condemned at the 20th party congress--and his view on intra-bloc relationships were apparently at issue.

However, his dogged resistance to rapprochement with Yugoslavia seems to have weakened his position as much as any one thing. The curious exchange which took place between Tito and the Russians in March was evidently an expression of this policy conflict. In his speech to the Supreme Soviet in February, Molotov had said:

> As we know, progress has lately been made in the relations between the Soviet Union and Yugoslavia.
>
> We do not consider that everything has already been done in this respect, but we believe that this no less depends on Yugoslavia herself. Evidently, in these past years Yugoslavia has to some extent departed from the position which she held in the early years following the second world war. That, of course, is exclusively her internal affair.

On 10 March, Pravda and Izvestia published a report of a speech delivered by Tito to the Yugoslav National Assembly on 7 March. Tito, according to the Soviet newspapers, had

complained that "some countries of Eastern Europe" were saying that "although Yugoslavia is still what she had been accused of, nevertheless, she has now recognized her errors somewhat and is trying to reform." "This is nonsense," he continued, "and naturally it can cause us to doubt the sincerity of the statements made by responsible leaders of these countries in the course of direct contact, regarding the unjust accusations against Yugoslavia in 1948. Unquestionably Mr. Molotov's formulation regarding Yugoslavia in his speech to the Supreme Soviet does not correspond to fact and in some respects coincides with these assertions. We consider this an attempt to conceal the facts from his own people, again at our expense.. It is time to describe things as they are and as they developed, instead of stopping halfway toward normalization and raising new doubts among the people."

Two days later Pravda published a reply. It denied that the USSR took the position which had offended Tito. It argued that Molotov's remarks on post-1948 Yugoslavia were consistent with statements by Yugoslav leaders themselves to the effect that 1948 had been a turning point for them, and could not, therefore, be taken as a gratuitous insult. The USSR, Pravda affirmed, desired further improvement of relations with Yugoslavia, but, it said, repeating Molotov, this depended "in no less measure upon Yugoslavia herself."

Tito's speech, taken together with other statements by Yugoslav officials at about the same time, plainly indicated that discussions between Belgrade and Moscow had gone further than was publicly admitted. Evidently, the subject of a Soviet-Yugoslav conference had already been broached. Tito's speech, in effect, restated his terms for such a conference, which included withdrawal of the 1948 charges. Molotov's scarcely flattering remarks apparently provoked him into demanding a further token of Soviet sincerity, perhaps including Molotov's "head." The Soviet press replied with something less than a full apology but had at least taken note of Tito's protest. Publication of Tito's personal attack on the Soviet foreign minister was, moreover, unprecedented and, if nothing else, showed little regard for his prestige and sensibilities. It is not surprising that one Yugoslav official concluded that Molotov had fallen into disgrace.

"Collective Leadership" After Malenkov
Promotions and Demotions

In March 1953 the three men who had given the eulogies over Stalin's coffin--Malenkov, Beria and Molotov--seemed to be a powerful triumvirate capable of dominating the Soviet leadership. Two years later Beria was dead, Malenkov had been demoted and disgraced, and Molotov's authority had been considerably reduced. In the relatively brief period it had functioned, "collective leadership" had plainly undergone a substantial readjustment. Khrushchev's rapid and conspicuous ascent to a commanding place in the leadership prompted speculation that the pattern of the 20's, when another "dark horse" had moved out front by splitting his rivals, was being repeated. Was "collective leadership," which had to entail some sharing of power, about to become a propaganda slogan without real political substance?

In the months after February 1955 there were a number of changes in governmental appointments which involved persons at or near the top of the political ladder. There was also a small-scale shake-up of party personnel at the provincial level and below. In some cases, it appeared that Khrushchev was using the power of appointment to augment his already formidable strength, particularly where the party apparatus was concerned. The circumstances in which other changes took place, however, suggested that the high-level appointments, at least, were still subject to negotiation in the presidium.

At the same time, the idea of "collective leadership" gained a considerable vogue in Soviet propaganda, perhaps as a means of compensating for the implications of Malenkov's demotion. "Collective leadership" took on a certain doctrinal legitimacy from having been designated a "Leninist principle," while its opposite, the idea of the infallible one-man leader, was treated with increasing opprobrium. The public symbols of individual political power were altered hardly at all--certainly far less than in the two years which preceded Malenkov's resignation. Throughout the spring of 1955 Khrushchev continued to be vocal and remained very much in the public eye in appearances before a series of agricultural conferences and a meeting of industrial officials. The press, however, acted with what appears to have been deliberate restraint, and it was noted in Moscow that Khrushchev seemed, if anything, to be receiving less individual publicity than before Malenkov's resignation. There was little doubt that Khrushchev had become the single most powerful leader, and the stamp of his personality and political style on both

domestic and foreign policy was even plainer than before; but, for the moment at least, he was at pains to conceal any inclination to make a grab for total power or to overthrow the "checks and balances" implicit in "collective leadership."

Malenkov was left in an equivocal position. The general public was given no explanation of what had happened beyond that contained in his resignation letter and, as far as observers on the spot could judge, seemed to regard the event with indifference. A central committee letter, containing a "bill of particulars" against the former premier was, however, circulated among party members, a fact which must certainly have weakened whatever political support remained to him. Within a few days of the Supreme Soviet meeting, rumors began to be heard in Moscow that Malenkov was in poor health, which, when added to the clamor over the "destruction of civilization" issue, raised the possibility that further punishment was in store for him. Nothing came of this then, however, and he continued to appear alongside his presidium colleagues at public functions much as before, except that he had moved down the line of precedence. The disgrace of his public admission of executive incompetence was underscored by his appointment to the second-rank post of minister of electric power stations, and, somewhat later (28 February), by the elevation of Mikoyan, Pervukhin, and Saburov to positions as First Deputy Chairmen of the Council of Ministers. This left Malenkov the only party presidium member on the government council without that status and carried the implication of political isolation.

Be this as it may, the promotion of Mikoyan, Pervukhin, and Saburov was also part of a reorganization of the Council of Ministers designed to strengthen high-level operational control of key sectors of the economy. It paved the way for the appointment of four new deputy chairmen, of whom three were industrial or construction specialists and one an agricultural specialist. A. P. Zavenyagin (died 31 December 1956) had had a long career in construction and heavy industry and had been a top administrator of the Soviet atomic energy program, while, another new deputy chairman, M. V. Khrunichev, had worked in the aircraft and other defense industries for a number of years. V. A. Kucherenko, who was head of the Moscow Construction Administration at the time of his promotion, was subsequently (30 March) named chairman of the State Committee on Construction Affairs of the USSR Council of Ministers. Of the four new appointees he seemed most likely

to have enjoyed the personal patronage of Khrushchev, under whom he had served in the Ukraine. Since mid-1954, when he began to beat the drums for prefabricated ferro-concrete building sections, Khrushchev had taken a direct interest in construction affairs, and had had kind words for Kucherenko's work at the Moscow builders conference in December 1954. The fourth new man, P. P. Lobanov, had been minister of agriculture in the Russian Republic and an active promoter of the New Lands program. In succeeding months he shared the platform with Khrushchev at a series of regional agricultural conferences, suggesting that he had been given broad responsibility for the implementation of agricultural policy within the Council of Ministers.*

Following this reorganization, the Council of Ministers was composed of a chairman, Bulganin; five first deputy chairmen, all members of the party presidium; eight deputy chairmen, including Malenkov, with general responsibility for diverse sectors of the economy; and, beneath these upper coordinating levels, 48 ministers and three officials with ministerial rank.

On 2 March a shake-up of agricultural administration took place which resulted in the firing of A. I. Kozlov as minister of state farms and his replacement by I. A. Benediktov, who had been serving as minister of agriculture. The careers of both of these men, it will be remembered, had taken somewhat peculiar turns in the months immediately after Stalin's death. (See above p. 21). They had held the posts of which they were now relieved since September 1953,** that is, from the point at which the agricultural side of the New Course was laid before a party plenum by Khrushchev. Since that time the press had frequently found fault with their ministries (among others) and both had been criticized--Kozlov is especially blunt terms--by Khrushchev at the February-March 1954 party plenum. There is some evidence of a political

*In April 1956 Lobanov was relieved of his Council of Ministers post and appointed President of the all-Union Academy of Agricultural Sciences, succeeding the controversial agronomist-geneticist T. D. Lysenko.

**At that time Benediktov was appointed Minister of Agriculture and Procurement. A separate Procurement Ministry under L. R. Korniets was established in November 1953.

affiliation between Kozlov and Malenkov dating from the time when they were both concerned with agricultural affairs in the central committee apparatus, but the only evidence that Benediktov had fallen victim to political rivalries in the presidium is circumstantial.

For reasons which are still obscure, Benediktov's post at the Ministry of Agriculture, which would have been, presumably, among the first to be filled if Khrushchev had had carte blanche, remained vacant from 2 March until 18 October.

There were curious political overtones and a suggestion of behind-the-scenes tug-and-pull in another shift of second-echelon officials begun in March. Early that month, rumors began to circulate in Moscow that G. F. Aleksandrov had been removed as minister of culture, allegedly because of personal misconduct, including use of his official position for "immoral purposes." Aleksandrov, who had made his name as a philosopher-propagandist, had had a somewhat uneven career. His ups and downs in the postwar period had to some extent coincided with those in Malenkov's career, and it has often been supposed that he figured somehow in a Malenkov-Zhdanov rivalry. In 1947 he had run afoul of the ideological purification campaign when his History of Western Philosophy was, on Stalin's orders, attacked by Zhdanov for its "bourgeois philosophical thought." He was removed as chief of the central committee's Department of Propaganda and Agitation at that time but he was appointed to a number of higher academic positions thereafter. He was appointed minister of culture in March 1954, replacing P. K. Ponomarenko. At the February 1955 Supreme Soviet he was personally criticized for the poor work of his ministry in the New Lands area; and soon after his removal, Pravda charged that the textbook Dialectical Materialism, which he had edited, was tainted with the consumer goods heresy.

Aleksandrov's removal was not announced officially until 21 March, nearly two weeks after the rumors began to spread. His replacement was N. S. Mikhailov, who had himself been subject to shifting fortunes. He had been first secretary of the Komsomol from 1938, when he replaced one of the victims of the Great Purge, until 1952. At the 19th party congress in October 1952 he was one of a number of second-rank party officials appointed to the enlarged party presidium--a move which, Khrushchev's secret speech implied, was preliminary to a new Stalin purge of senior leaders. He was dropped from the presidium when it was reduced to its former size after Stalin's death and was appointed Khrushchev's successor as

first secretary of the Moscow Oblast party organization. Though somewhat below the top level of itself, this was still a ranking post and probably reflected Mikhailov's true hierarchical standing more accurately than his brief and largely artificial presidium membership. A year later, in March 1954, he was named Soviet ambassador to Poland.

The case of L. G. Melnikov is still mystifying. He had succeeded Khrushchev as first secretary of the Ukrainian party in 1949. Like Mikhailov, he had been elected to the presidium in October 1952, but in the March 1953 reorganization he was retained as a candidate member, not dropped entirely. He lost this post together with his Ukrainian party post in June 1953, amidst charges of excesses in the Russification and collectivization of the annexed territories of western Ukraine. Subsequently, the reverse of those sins were attributed to Beria to strengthen the supposition that he had had a hand in Melnikov's dismissal. Melnikov was given a new assignment as Soviet ambassador to Rumania in July 1953, within a few weeks of Beria's downfall. In April 1955, he was recalled from Bucharest to head a newly formed Ministry of Construction of the Coal Industry. His earlier career in the Ukraine points to an affiliation in the political sense between him and Khrushchev and the latter's patronage may well have had something to do with his return to Moscow. At the same time, the fact that Melnikov had not then, nor has he since, regained his former high rank beclouds the question, and suggests that that patronage, if exercised, had had only limited effect.

Following Mikhailov's recall on 22 March, the post of Soviet ambassador to Poland remained open until the appointment of P. K. Ponomarenko was announced on 8 May. A veteran of both party and government work, Ponomarenko was a candidate member of the party presidium at the time of his appointment.

In 1938, after several months of service as Malenkov's deputy in the central committee's Section of Leading Party Organs, he had become first secretary of the Belorussian party and continued in that post until 1947. He became a member of the party secretariat in 1948, apparently filling the vacancy created by Zhdanov's death. In this post he had some responsibility for agricultural affairs and, in 1950, he was appointed Minister of Agricultural Procurements. He was made a member of the party presidium at the 1952 party congress but, like Melnikov, was reduced to candidate standing

at the time of Stalin's death. At the same time he lost his place on the party secretariat and was appointed minister of culture. In February 1954 he was appointed first secretary of the Kazakh party as part of a shake-up which followed criticism of agricultural administration in that republic. Khrushchev was on the scene for the change and it was apparently expected that Ponomarenko, on the strength of his executive experience in agriculture, would provide effective direction of the newly inaugurated New Lands program in Kazakhstan. There was never any indication that Ponomarenko had fallen down on this job. The Warsaw assignment was a responsible one and conformed to the practice of appointing experienced party officials to the satellite capitals, but it appeared, nevertheless, to be below par for a candidate member of the presidium. It signified his exclusion from the inner circle, a fact which was confirmed at the time of the 20th party congress, when he was not re-elected to the presidium.

Probably the clearest case of the fall from grace of a "Malenkov man" is that of N. N. Shatalin. Since the late '30's Shatalin had worked in the party apparatus and at various times had been Malenkov's deputy in the central committee section which dealt with party personnel appointments. Defector reports have consistently placed him as a Malenkov adherent. He became a member of the party secretariat in March 1953 in a move which showed traces of a political compromise. At the time of his appointment on 6 March he was only a candidate member of the central committee. On 14 March this irregularity was corrected after the fact by his election to full membership at the same central committee meeting which received Malenkov's resignation from the secretariat. Conceivably, the two events were related, with Shatalin being intended to serve on the secretariat as a last link between Malenkov and the party apparatus. While on the secretariat, Shatalin seems to have had a hand in two of its most vital functions--personnel appointments and party supervision of the police--and, in view of his ties to Malenkov, might easily have become an obstacle between Khrushchev and firm control of the party apparatus. On 14 March 1955, it was announced that he had been appointed party first secretary in the Primorye Krai--a very far Krai from Moscow. In late January 1956 he lost this post and at the 20th party congress in the following month he was dropped from the central committee.

The Khrushchev-Bulganin Visit to Belgrade

According to [ ] the July 1955 party plenum, Bulganin told the assembled party officials that the Belgrade trip had been preceded by a two-year exchange of correspondence between Belgrade and Moscow, initiated by the latter. The fact of such an exchange, commencing soon after Stalin's death, receives some confirmation from Yugoslav Vice President Kardelj who told a London Observer correspondent in February 1955 that "there had been during the 'normalization' period fuller discussions between Yugoslavia and Russia than had ever been described publicly." What the subject of these discussions was is unknown, but it can be supposed that they began on a cautious, exploratory basis. Overtly, the rapprochement developed through the various stages of "normalization," which meant, in general, raising the various forms of seige which Stalin had applied against Yugoslavia in his futile campaign to overthrow Tito.

On 29 April 1953, Molotov received the Yugoslav chargé in Moscow and the appointment of a new Soviet chargé soon followed. In June the two countries agreed to restore the exchange of ambassadors. Thereafter, the border conflicts between Yugoslavia and her satellite neighbors came to an end, the economic blockade against Yugoslavia was lifted and trade negotiations were opened, and the bitter propaganda battle was mutually terminated in Moscow and Belgrade. So far, however, Soviet acts and gestures appeared to be still within the framework of the post-Stalin policy of détente.

In the fall of 1954 the USSR first showed an inclination to carry the process further and to explore the possibility of an ideological rapprochement. In the 6 November speech on the anniversary of the Bolshevik revolution, Saburov appealed for a renewal of "the ancient bonds of friendship" between Yugoslavia and the USSR. Later in the month, at a reception in the Yugoslav Embassy in Moscow, Khrushchev, Malenkov, and Molotov offered a toast to "Comrade Tito and the Yugoslav Communist party" in a clear gesture of ideological reconciliation. [ ] in November or December of 1954, the Russians made a formal proposal for a conference of party representatives which included an invitation to Tito to visit Moscow. Tito, [ ] did not reply until January 1955 and then made the counterproposal that a Soviet delegation should come to Belgrade. These exchanges

apparently also included some discussion of the terms on which a meeting should be convened, for in February, Yugoslav officials claimed that the USSR had conceded that it had mistreated Yugoslavia in 1948, that there could be different paths to socialism, and that Yugoslavia was a bona fide socialist state. These were virtually identical with the terms on which the Belgrade conference was to be conducted.

The Soviet political upset of January-February 1955 apparently resulted in a temporary suspension of negotiations. The Yugoslavs at first feared that Malenkov's ouster might signal a halt in the process of post-Stalin change about which they had been consistently hopeful. Tito's 7 March speech, taking issue with Molotov, was evidently an attempt to find out if the winds had shifted, and Pravda's handling of the matter suggests that it was read in Moscow in just that way. Another indication of this was the sudden trip to Moscow, soon after Tito's speech, of Soviet Ambassador Valkov. Upon his return to Belgrade, towards the end of March, Valkov was immediately granted an interview with Tito. The Yugoslav foreign secretary admitted that the interview had dealt with the Molotov-Tito exchange. At this point, apparently, the concrete negotiations which preceded the 14 May announcement of a high-level Soviet-Yugoslav meeting had begun.

Khrushchev's ascendancy, following on Malenkov's defeat and the decline of Molotov's authority, undoubtedly had much to do with the timing and form of the rapprochement with Yugoslavia. On the face of it, the trip to Belgrade meant that the Soviet leaders had agreed to swallow their pride and to pay the price exacted by Yugoslav vanity. But the USSR was playing for potentially large stakes. To remove from the record this singular example of defection from the Communist ranks and to reverse the trend which had brought Tito onto the fringe of the Western alliance were only minimum Soviet objectives, which, if everything went well, could be enlarged upon. The dominant element in the Soviet leadership entertained the hope that Yugoslavia could be drawn back into the "socialist camp" and felt that this possibility should be exploited to the fullest. A dramatic gesture of reconciliation, public admission that the USSR had erred in the past, recognition of Yugoslavia's right to certain national peculiarities, and formal reinstatement of Tito into the ranks of "true believers"--these things would remove Belgrade's suspicions

and it would then feel an irresistible urge for complete realignment. This, in turn, promised to reduce the risk in the effort, which was to be more fully unfolded at the 20th party congress, to organize the Soviet bloc on looser terms of unity and discipline than those applied by Stalin, since the satellite states would no longer have the insidious example of Tito's independent Communism before them.

In his report on the Belgrade conference to the July plenum, Bulganin is said to have described the Soviet mission as a mission of clarification. Its purpose, he asserted, was first of all to prevent the further extension of US influence in Yugoslavia and to assess the likelihood of her return to the "camp of socialism." The Soviet assessment of Yugoslav socialism made at the Belgrade conference did not overlook entirely the points of disagreement between the two sides, but there was, nevertheless, as the summing-up at the July plenum showed, a tendency to stress the degree of sameness and to regard it as a hopeful basis for further consolidation. Reportedly, Mikoyan, having conceded that Yugoslavia had much in common with non-Communist socialism, went on to point out that in the satellites many eminent Communists had come from socialist ranks, and to conclude optimistically that Yugoslavia would certainly return to the Soviet bloc.

It was probably not envisaged, however, that Yugoslavia would return to the fold on pre-1948 terms. There is much to suggest that the Belgrade venture was only part of a broad effort to reorder intrabloc relationships. Already, since Stalin's death, there had been signs of this in the replacement of Stalinist gauleiters, many of them police officials, by party professionals in the USSR's satellite and Chinese embassies--a process intended to stress the bonds of political sympathy over those of compulsion. The Soviet regime, at the same time, was searching for an arrangement elastic enough to permit the play of nationalistic pressures within the outer band of Soviet hegemony. It was aware that nationalism remained a real force within the bloc, that Stalin's policy had suppressed but not eradicated it, and that, like religious feeling at home, it should be worn away not battered. Consideration of China's present and future place in the socialist commonwealth undoubtedly had a part in stimulating this rethinking. China, like Yugoslavia, obviously did not fit into the scheme of a monolithic bloc made up of the USSR and a group of compliant satellites, and it may have been

more than coincidence that the groundwork for the Belgrade conference began to be laid soon after the return of Khrushchev and Bulganin from Peiping in late 1954. Moreover, a clear connection between the Belgrade conference and the over-all problem of bloc relations was drawn at the July plenum. According to all accounts, the various Soviet leaders who addressed the plenum dwelt on the damage which had been done in the past to relations with China, Yugoslavia, and the satellites by Soviet arrogance and offenses to nationalist sensibilities. Nationalism, Khrushchev reportedly said, should be dealt with tactfully and it was current policy of the Soviet party to take the problem more fully into account.

Where the satellites were concerned, however, qualification of the principle of Soviet dominance and changes in the forms of its application was something less than denial of the principle. Soviet acknowledgement in the 2 June communiqué concluding the Belgrade conference that socialism might take different forms in different countries, was, in the case of Yugoslavia and China, merely recognition of an existing situation. But the USSR's political and economic hold on the satellites meant--or so the USSR evidently reckoned--that they had been given a verbal concession which they were in no position to exploit. On his way back to Moscow from Belgrade, Khrushchev stopped off in Sofia and Bucharest for conferences with satellite party leaders at which, according to one report, he made this point clear--that what was sauce for Tito's goose was not necessarily sauce for the satellite gander.

The Yugoslavs had somewhat different thoughts in mind when they accepted the Soviet conference proposal. They sensed the danger of being crushed in the Soviet embrace, but in view of their own preachments on "peaceful coexistence" it was impossible for them to refuse to negotiate. Furthermore, the Yugoslav economy stood to benefit from any settlement which recognized Yugoslav claims arising from the Soviet-satellite economic blockade. But the key factor for Yugoslavia was its own international ambitions and its belief that it could, having closed the rift with the USSR, have an important influence on the future course of events in the Soviet bloc. With regard to this objective, the Yugoslavs insisted that the process of change that began with Stalin's death would inevitably continue and should be given every encouragement.

Tito saw an improvement of relations with the USSR as a means of strengthening his bargaining position vis-a-vis both East and West and a means of establishing a role as intermediary, both political and ideological, between the two sides. He aspired to become a Balkan Nehru whose good offices would be sought by the West, the East, and the "neutralists." His attitude was a blend of self-interest and a kind of missionary idealism, the latter stemming from his belief that the two great international antagonists were both interested in a peaceful settlement and that, eventually, a lasting reconciliation between Soviet Communism and Western democracy could be achieved. Thus it was that on 15 May, the day after announcement of the Belgrade conference, Tito declared that Yugoslavia was a moral leader with "a place in the world that even the big powers may envy," and described Belgrade's policy as an attempt "to create a third force of world moral strength for all those who love peace and freedom." The root of the Yugoslav conception is found in Tito's phrase "active peaceful coexistence," which denoted movement between the two antagonists designed to bring them closer together, and Belgrade's commentary in connection with the May - June conference was at pains to reject for Yugoslavia the stationary role of a neutral buffer state. It was in keeping with the "bridge" idea that the Burmese and Indian premiers were to visit Belgrade following the conference with the Russians and that the US, Britain, and France were invited to send there special representatives, other than the permament envoys, for a discussion of the international situation.

The tugging and pulling that went on between the Yugoslavs and the USSR over the question of whether a party-to-party relationship was to be re-established was one expression of the divergence of purpose and outlook between them. This had been a Soviet objective in the preconference negotiations but the Yugoslavs had held out against it. The Russians were persistent, however, and their delegation to Belgrade was headed by Khrushchev, the party chief, though the pretense was maintained that he had come as a member of the Supreme Soviet Presidium, a governmental body. On his arrival at the Belgrade airport on 26 May, Khrushchev startled the Yugoslavs by declaring:

> As representatives of the Communist party of the Soviet Union--the party created by the great Lenin--we consider desirable the establishment of mutual trust between our parties also. The most stable relations are established between the peoples of those countries in which the leading forces are parties which base all their activities on the teaching of Marxism-Leninism.

This was a typical Khrushchev gambit, an attempt to solve a complicated problem by charging straight into it. Tito did not respond to the airport speech and it was reported that the Yugoslavs had emphatically rejected the overture. It was reported also that they gave no definite reply to a memorandum on party relations, signed by Khrushchev and Pravda editor Shepilov, which proposed that arrangements be made for party consultations and the exchange of party representatives. The Belgrade press, furthermore, maintained throughout the conference that it was being conducted on a government-to-government, as distinct from a party-to-party, basis, and the conference's final declaration was signed on behalf of the USSR by Bulganin, the government head. Nevertheless, the declaration contained a provision for "cooperation among the social organizations of the two countries through the establishment of contacts, the exchange of socialist experience, and a free exchange of opinions," which, as the Yugoslavs soon admitted, implied some form of interparty relations.

Why all this strange maneuvering? Both sides realized that renewal of party relations was synonymous with the reopening of ideological intercourse. The Yugoslavs wanted this intercourse, too, because if, as they hoped, they were going to exert any influence on the "socialist camp," it would be necessary to use a common language, i.e., the language of Marxism-Leninism. At the same time, they had to move cautiously so as not to alarm the West and so as to satisfy themselves that the relationship was not to be restored on the old one-sided basis of "socialist internationalism"--the subordination of national interests to the purposes of the Soviet state.

The Yugoslavs hesitated also because they had fewer illusions than the Russians about the depth of their differences. The latter, in their haste to get ahead with the reconciliation, appear to have fixed their gaze too intently on the points of mutual agreement and to have exaggerated Yugoslav nostalgia for the "good old days" of proletarian solidarity. In this connection, however, there is room

for speculation that the USSR was disingenuously appealing over the heads of Yugoslav leaders for the sympathy and support of the less wary rank-and-file.

Since 1948 the Yugoslav-Soviet rift had developed in some ways like a religious schism. Tito's divergence from Moscow seemed, in the beginning, to have little to do with the formal points of ideology and he was professedly still in agreement with its fundamental philosophical premises and final purposes. Nevertheless, he had come to the conviction that once-shared beliefs had been distorted by Stalin, and insisted on the possibility of various interpretations. The charges of "revisionsim" thrown at the Yugoslavs later when the reconciliation had gone slightly "sour" were, from the point of view of a Soviet Communist, no less justified in 1955. Driven by the simple need for survival, Yugoslavia had attempted to find viability in revisions of its internal system and in intercourse with the non-Communist world. This left them at variance with Moscow on two important points: their belief that their innovations should be studied, not merely tolerated, by the Communist bloc, and a belief that the "socialization" of the world should be seen as a process of evolutionary transformation rather than in the Soviet terms of "who shall beat whom?" Thus, while Moscow contemplated the return to the fold of a stray sinner, the Yugoslavs probably hoped eventually to convert the whole body of believers to their own persuasion.

The July Plenum

Khrushchev and Bulganin reported on the results of their Belgrade trip to a plenum of the party central committee held from 4 to 12 July. The plenum also heard a comprehensive report on Soviet industry from Bulganin, approved the admission of several new members to the party's top bodies, voted to convene the 20th party congress in February 1956, and participated in the censure of Molotov.

The plenum gave only passing notice to agricultural policy, which had been the subject of most of its discussions since Stalin's death, and turned its attention instead to the industrial front. Bulganin's speech was a more elaborate and definitive statement of the points raised at the industrial conference in May. It focused attention on the problem of continued industrial expansion as it pertained to the Sixth Five-Year Plan, which was to be presented to the coming party congress. Bulganin spoke

in conventional terms about the successes achieved by Soviet industry. He again condemned those who would slow its growth by giving priority to consumption and affirmed that "the general line of the Communist party, directed toward preponderant development of heavy industry, was and remains unshakable." The USSR, Bulganin told the plenum, was "standing on the threshhold of a new scientific, technical and industrial revolution." In this fact, he suggested, lay the secret of further economic growth on the basis of available resources. He proposed an approach along three lines--technological improvement, a more rational organization of production, and increased labor productivity--and the bulk of his speech was devoted to a discussion, in considerable detail, of shortcomings and possibilities in those areas.

The plenum was called on to ratify several appointments to the party's presidium and secretariat. A. I. Kirichenko, party boss in Khrushchev's old Ukrainian bailiwick, and M. A. Suslov, a member of the secretariat who had been concerned in Soviet-satellite affairs, were made full members of the presidium. The secretariat, the highest body for organizational control over the party apparatus and presided over by Khrushchev, was enlarged by three members. One of them, D. T. Shepilov, then editor of Pravda, had already begun to play an active part in Soviet foreign affairs and had only recently been a member of the Soviet delegation to Belgrade. A. B. Aristov and N. I. Belyayev were advanced from posts as provincial party chiefs. Some at least of these appointments were presumably in Khrushchev's interest and their net effect was apparently to strengthen his hand prior to the 20th party congress.

The available accounts of the proceedings of the July plenum differ only in detail as to the circumstances and substance of the Molotov censure, which took place on 9 July. It was decided to take the unusual step of humbling Molotov before his inferiors on the central committee, because he had refused to surrender his opposition to reconciliation with Yugoslavia, even after the proposition had won a majority in the party presidium and after the Belgrade conference was an accomplished fact. The accounts of the plenum give an unusually clear picture of Molotov's stubbornness and the very "Stalinist" cast of his thinking.

Khrushchev led the attack and was joined by Bulganin and Mikoyan. Molotov was left to make a solitary defense,

although it is reported that Voroshilov showed some reluctance to join in the denunciation. Molotov had kept up a rear-guard action throughout the presidium's deliberations on Yugoslavia, his critics charged. First, he had been against any attempt at all to improve relations with Yugoslavia. He was overruled but even after the Belgrade trip was decided on he argued that Yugoslavia should be dealt with exactly as any other "bourgeois state." He insisted that the 1948 break had been justified, that the Yugoslavs had been and remained "deviationist," and he contended with some foresignt, that any coddling of Belgrade would set a dangerous precedent. He held to this position at a central committee plenum which met just before the Soviet delegation departed for Belgrade and again in the presidium after its return.

Molotov replied to these charges at the July plenum in an unrepentant rebuttal. He stated his position in the same terms as before, argued that current policy toward Yugoslavia was "un-Leninist," and reminded those present that, among the top leaders, he was the only remaining "comrade-in-arms" of Lenin. Molotov's attempt to throw the book of dogma at his critics and the appeal to his party seniority apparently touched a sensitive nerve and may explain why somewhat later (in an October issue of Kommunist) he himself was forced to admit to ideological laxity. At the plenum itself, his attitude provoked a sharp counterattack in which the list of his offenses was lengthened to include inflexibility in the direction of the Foreign Ministry, an insulting attitude toward the satellites, and, finally, defects of character in himself and his wife. Molotov was warned that unless he corrected himself he might be "pensioned."

Although the several accounts are not consistent on this point, the censure proceedings apparently ended with a terse reply from Molotov in which he formally stated his acceptance of the accusations against him and agreed to submit to the judgement of the central committee.

## Conclusion

In many ways it was fitting that the July plenum should have been the occasion for summoning the 20th party congress, which was to meet in February 1956 eight months before the deadline established by the party statutes. The theoretical propositions and the main elements of the policies which it would be the congress' duty to confirm had already begun to emerge. Bulganin's statement on industry supplied the groundwork for the new economic plan which was to be presented to the congress. The congress pronouncement on "different roads to socialism" was anticipated in the communiqué which ended the Belgrade Conference. The impending denunciation of Stalin was, however, hardly signalled by the stress given "collective leadership" and the occasional allusions to a harmful "cult of the individual."

In the prolonged struggle for precedence within the top leadership, Khrushchev had clearly gained considerable momentum. Following the extinction of Beria he had succeeded in building an effective combination against Malenkov which presumably included such people as Molotov, Kaganovich and Zhukov. Now Molotov had been made the victim of the same tactic.

A party congress evidently appealed to Khrushchev at this juncture as a means of pressing home his advantage--he would obtain from it solemn ratification of his policies by the party's highest formal authority as well as the election of a new central committee. A subsequent paper in this series will examine the period between the July plenum and the party congress in an effort to discover any trend in appointments or policies which might have flowed from a further rearrangement of power relationships.