



THE SOVIET UNION

Dr. Philip E. Mosely

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Reviewed by Col R. W. Bergamyer USAF on 17 May 1974.

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13 March 1964

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ADMIRAL ROSE: Gentlemen: Our first speaker this morning pointed out Churchill's famous quote was not complete and he read the second part of the sentence. You know what I am talking about--"Russia is a riddle, wrapped in a mystery, inside an enigma."

Now we are going to find out, I think, that this possibly never was a true statement anyway. You remember the circumstances under which it was made.

Our speaker, Dr. Mosely of Columbia, has been in the vanguard, really, of making this observation of Churchill obsolete, by finding out what was going on and what is the Russian policy. His scholarship over the years has helped shed much light on the strength and weakness of the Soviet Union. We are all aware that knowledge of the Soviet Union is essential in gaining an understanding of the comparative capabilities for international conflict, which is what we are studying right now.

Dr. Mosely is a good friend of the Industrial College. He is a member of our Board of Advisers. He has spoken here frequently, and I am very happy to welcome him back to the school.

DR. MOSELY: Thank you very much, Admiral Rose, for this fine welcome. General Stoughton, Gentlemen: I take great pride in being associated with this great institution which offers outstanding people an opportunity to review carefully a wide range of national and international problems.

It is a great privilege to be here today as well as to be a member of the Board of Advisers.

I have a very big subject, as you can well imagine, "The Soviet Union," and I have given quite a bit of thought to the main things that we could discuss in this time. What I am going to do is ask the questions and give some very brief thumbnail answers to the things that we have to be thinking about in the next 10 years about Soviet development.

One of the things that I would like to emphasize is that, while the system remains a dictatorship which has strong, ideological goals, it is also now changing. Despite the drawing up of a 20-year plan or program of the Party, which was promulgated in October 1961, Russia is not going to look in 1981 exactly the way it is predicted. I think one of the striking things in my visits to Russia has been to see how little real interest there is in this program, to which thousands and thousands of man hours were devoted and which was given a great deal of publicity by the regime.

People in the Soviet Union are well aware that they are living under a dictatorship and they expect to continue to live under it. At the same time they realize that it is changing. This state of mind is illustrated by a little story which came out of the Soviet Union just a few months ago. Like many Russian stories, it's in the form of a folk tale, and it's about a good king. He was a very good king and he loudly proclaimed his desire to make life better for his people and to spread the system throughout the world, and he issued his views on many, many subjects. One day, after very careful thought, he announced that 2×2 equals 6. His people murmured, and some of his close associates came around and

tried to explain to him that in a general and international and in a scientific sense 2×2 equals 4. He cut off many heads and then people were silent, and everyone nodded when he said " 2×2 equals 6."

In the fullness of years the good king died and he was replaced by an even better king. This king did many things to correct the situation. The people were better satisfied, and after careful thought he announced one day that 2×2 equals 5. Again the people murmured a little more loudly, because they felt a little more secure in their lives. His close associates came around and said, "But you know, King, that 2×2 equals 4." He listened for a while, because he was much more patient than his predecessor. Then he became angry and he said, "Well, 2×2 equals 5, and if you don't like that we can go back to 2×2 equals 6."

So there are changes. The Soviet system is a little more an open-ended development in which it is difficult to say exactly how it's going to come out.

What I want to do now is to take up some of the illusions which have had a very deep impact in our thinking about the Soviet Union, and then to see how far they are illusions and how far they represent the real problem or the real possibility of new development.

One illusion has been that a dictatorship must be inherently weak, because it uses such an excess of power to force its ideas and its programs on its people. We feel that a government is strong when it consults its people, obeys their will, submits itself to frequent and free elections, based on freedom of information, freedom of discussion, freedom of the press, freedom of religion, and all the other freedoms that we treasure

and which the Western world has developed painfully over several centuries.

Well, in the Soviet Union, this is not quite the attitude toward absolute power. There was the growth of a desire for freedom and for limited government in Russia in the 19th century and down to 1917, and it remained afterwards for a while. What the Russian revolution did in large part was to sweep away the more Westernized groups of the intelligentsia and draw new people from the ranks of the peasants and workers and give them the power. They have the idea that an absolute system is the best system because it forces its will through and tells the people without mistake what it wants them to do, and then supervises their doing it. This is a strong system from their point of view.

One of the things which have been great weaknesses of Soviet foreign policy for a long, long time has been the feeling that democracies are weak, ^{and} absolute states are strong. That was one reason why Stalin made his agreement with Hitler in 1939. He felt that he could count on a fellow dictator, even if he had proclaimed the desire to destroy the Soviet system. Still he was a dictator and he could carry out his plans; he was not going to be changed. This came out in a comment that Khrushchev made to Robert Frost in the spring of 1962, in which he said, "Well, a democracy is too liberal to fight." By that I think he really meant that a democracy cannot by definition simply prepare an aggression and attack. It responds to the desire of peace of its people and it is respectful of the opinion of people around the world to a remarkable

extent. Of course he changed his mind in October 1962 and that has left a deep imprint.

We cannot assume, therefore, that the system will change basically in the next 10 years. However, there is a growing range of consultation of popular desires. This proceeds not by free elections, competition for power, or anything of that kind. They really have no idea of ever using that, but they are trying to strengthen the roles of city governments, city soviets. They are giving a little more role to the trade unions. In the fields of welfare, social security, and so on, they are even establishing parent-teacher associations in an effort to aid the schools in improving education.

So there is a certain, modest degree of initiative being developed, not all the way down the system but in those groups which are closest to the top, which represent the so-called activist strata of society. This kind of gradual sharing of discussion, and to some degree of initiative, is likely to continue, because it will make the system more responsive to the desires of important groups within the system, but without challenging the power of the leadership to make the overall decisions and to exert its power. The leadership will retain for a long time to come the power to revert to $2 \times 2 = 6$ if it decides, for either internal or external reasons, a policy that this is necessary to its own strength and survival.

One particular subdivision of this question of political stability of a dictatorial system is the question of the succession to Khrushchev.

Here I disagree with many of the commentators who believe that the system will undergo a very marked turbulence and may possibly be weakened seriously either at home or abroad, or both, when the time for succession comes about. Khrushchev will be 70 years old on the 17th of April. My own view is different. I think that Khrushchev has made the Communist Party dictatorship, that is, the dictatorship of the top leaders, work more efficiently and more flexibly than in the past, that he has overcome some of the internal strains that were present in the system in the last years of Stalin's dictatorship, which did cause a substantial amount of turbulence in the first 2 to 3 years of the post-Stalinist period.

Under Stalin everything came to be centered, especially by 1937, in the hands of the dictator and of his personal secretariat, which was the superior body through which he operated all parts of the system-- the military forces, the economic system, the agricultural system, the cultural system, foreign policy, the foreign Communist parties, and so on.

One effect of this was that Stalin used a system of divide and rule. He played the secret police against the military establishment, and he played the secret police against the top party leadership. He tended to treat the Party just as another instrument among four or five instruments of his personal rule. This, I think, has in great part been overcome. One of the main changes in the period since Stalin's death in March 1953 has been the reassertion of the central role of the Party and of the top party apparatus as a means of controlling and directing all of the instruments of rule. This means that the Party has been

operating in a more regular and a more rational way through the Party Presidium, through the central secretariat, and through rather frequent meetings of the central committee which pulls together approximately today around 250 of the top leaders from different fields, from different parts of the country, and the Party Congress has been called more frequently than in the past.

So that I think that the causes of Stalin's excessive concentration of power in his personal dictatorship have diminished with the growth of the system, with the spread of education and of administrative skills throughout the system, and that therefore Khrushchev has not needed to operate in that completely arbitrary and personal way and that he has deliberately strengthened the role of the party organs.

That does not mean that there is no struggle for the succession. There is, but I think it will be resolved in an orderly way and rather promptly within the top ranks of the Party, within the upper 15 to 18 men who help Khrushchev run the Party. What is perhaps more important is the change that the succession will bring about in generations. Whoever is Khrushchev's successor will probably be around age 50. He will therefore have joined the Party in the early thirties, sometimes from 1929 to 1935. He will have had very extensive experience in helping to administer a large economic system. And he will have been given a variety of experience as a generalist.

The Soviet system has gone about deliberately trying to prepare its higher executives through special, higher, party schools. Last year the two major higher party schools graduated 250 people. The people who

are selected for high positions in administering the economic system, the political administration, the secret police, the scientific establishment, and the military forces are given a two-year program and then they are expected to move into a variety of generalist positions, not merely to work in a single part of the establishment. There is much more interchange of experience and skills within the higher ranks than there is in most bureaucratic systems.

So I think that what is important also is that whoever it is will have less of an emotional contact with the early revolutionary feelings of the regime. Even Khrushchev, although he joined the Party only in 1920 or 1921--there is some dispute about the exact date; he has revised it once or twice; like everything else the history is rewritten constantly-- he still had the feeling of the emotions of the struggle for power and for the establishment of the regime. Whoever succeeds him will have come in later, will have joined the only important way to leadership positions and will have been tested for his skill in organizing and for his ability to carry through difficult decisions with some degree of rationality, and he will have a less emotional approach, I believe, in many ways, to the idea of the revolution. He will naturally be a strong supporter from his early years of communism and he will have been tested over and over for his firm support of the ideology and the purposes of the regime, but this will be somehow less immediate, perhaps, in his scale of values.

Another important factor is that the successor will be someone who has had at least some slight experience abroad and who has had a

chance to test the very broad-brush picture of the world, promulgated by Soviet propaganda, with the realities. Khrushchev has complained to foreigners that he was never allowed to travel abroad under Stalin, who sent diplomats as spies but not his ordinary colleagues, and who therefore tended to keep everything in compartments, including foreign policy. Khrushchev, I think, has deliberately sent a good many hundreds of his collaborators and subordinates to travel in different countries, so that they will be better prepared, in some degree, to understand that the outside world is far more complex than the picture painted by Soviet propaganda.

Finally, I think the most important change will be that whoever succeeds Khrushchev will after a time be competing with the image of Khrushchev and not with the image of Stalin, and that will be a big improvement. I think some of our problems in dealing with Khrushchev have been because of his desire to prove that he was not only somewhat more humane than Stalin in his internal policies but could also achieve goals such as the seizure of West Berlin, which Stalin had tried to achieve and in which he had failed.

This isn't going to be a solution to our problems but it may mean that the elements of better information, of a more rational approach, and of a less emotional attitude may come to be somewhat stronger than they have been.

Other commentators will argue that the contest for power is bound to be a very severe one, that it may weaken the regime, and that different

parts of the system, such as the military establishment, the industrial establishment, and the party secret police will be struggling among themselves for power. Frankly, I doubt this very much. I would say that all the other elements of power--the secret police, military establishment, scientific establishment, industrial establishment, and so on--have been increasingly subordinated to the basic policy-making functions of the central apparatus of the Party, and that this will pave the way for an orderly succession of power, with a rather rapid succession.

Now, I think we cannot, therefore, look to either the basic weaknesses of a dictatorship, because it has great strengths along with weaknesses, or to a struggle over succession which will weaken the power of the Soviet regime or the ability of its leaders to define its purposes and move to carry them out. It will remain a very powerful, highly centralized system, able to move rapidly in many situations. I hope that its knowledge of the outside world will gradually and slowly improve so that, while its purposes will remain basically the same as they have been, they will at least be better informed about the real issues. The danger of an ideology imposed in a monopolistic way which doesn't allow competition at home is that it deceives its own people, and it deceives its own leaders, who tend to think in these terms, in the terms in which they have been trained, and who therefore overlook the wide range of facts, especially psychological and political facts, which would be very important in making wise, or at least cautious,

decisions. I hope that element of ideological blinders will gradually be somewhat reduced.

A second illusion is one which has been largely discarded, although it tends to come back in another form. That is that the Soviet economic system is an inefficient one and there/it is bound to fail relative to its goals, and this will bring about a disillusionment, an apathy, and a loss of support for the regime. This is a view which was held for a long time by many influential people and commentators in this country. It has, of course, given way to an opposite illusion, that the Soviet economic system is so efficient that it is growing/a higher rate than ours and therefore it represents a very powerful contender. This in the last 7 or 8 years has been an excessive emphasis, perhaps, on the rate of Soviet economic growth and a more or less automatic increase of its economic power.

Now, I am going to be rather brief about this, because it is a very, very big field. Let me say first that, if the Soviet system made rational decisions in the economic field, it ought to grow at a rapid rate. It ought to grow more rapidly than it is growing, because it has greater maneuverability to apply its resources, by centralized decisions. If it were adequately informed, if decision-making were prompt, rational, and efficient, and if the carrying out of plans were efficient, it would be growing more rapidly than it is.

This, of course, raises the question: What is the purpose of growth? In this respect there has been some second thinking in the Soviet leadership. Khrushchev himself has has been saying now for several years,

"Well, do we need that much steel? Are there other things we need more? Is it desirable to increase the output of steel so much every year. What are we using it for?" So there is some rethinking of it.

The Soviet system has demonstrated that it has been able to create the second largest industrial system in the world, that it is capable of technological improvement in many fields, and that it does provide for some purposes an efficient system of economic growth. However, other systems have grown more rapidly. The rate of economic growth in West Germany, Japan, and France has been substantially higher than that in the Soviet Union. So there are other systems also which can provide an equal or even greater rate of economic growth.

The Soviet system, as we are going to face it, then, over the next 10 years, will be growing. It will grow on a rate which on the average will probably be higher than ours. However, our system is much larger to begin with and it operates under a system of incentives which provides for a balanced type of growth, and, as long as our system achieves the purposes that we want it to achieve, a comparison of rates of growth is not a very important subject, frankly. It is greatly exaggerated in our own press and by some of our commentators, and, of course, by the Soviet leaders, who like to point to the fact that they have already surpassed the United States in the output of coal. Well, so what? We have a far greater diversification of energy sources, we have a tremendously greater use of oil in various forms, and we have a greater range of pipelines for natural gas and so on, all of which they are developing also. So, what does that mean? They can well go ahead

with us in other fields, because, for example, in steel, they need much more steel. They use very little steel on highways. They produce very few cars for individual use. The total output of cars was less than 8 percent of ours last year. And they need much more steel in housing and many other fields. So that we should look at these things without too much emotion and try to see what the needs are of our own economy/^{and not be}fascinated merely by the concept of a more rapid rate of growth in the Soviet system.

One of the major fields of weakness is that of agriculture. Here the Soviet Union has been obliged to import large quantities of grain in order to maintain proper standards for its people. Despite this action which represents a very great loss in the propaganda field, as well as an economic loss, the Soviet Union will be able, if it applies the necessary resources, to raise its agricultural production substantially. We cannot expect this present and recent breakdown or decline in agriculture to continue permanently. I think that Khrushchev has now realized that he must make large, basic investments in the agricultural field in order to make the system stronger in this field. There will always remain weaknesses in Soviet agriculture. One of these lies in the nature of the soil and the climate. The United States is fortunate in the distribution of the climate zones and of rainfall. The Soviet Union is much less fortunate. Many of the more fertile areas suffer from periodic droughts, for example, and then other areas that have plenty of water have a relatively short growing season. So that I

would say that the Soviet agriculture will always have certain handicaps. A more basic handicap, of course, even than that--because countries that were relatively poor in resources, like Denmark and Britain and so on, have shown what can be done by intelligent management, strong economic incentives for proficiency, and education, even with having relatively poor soil--is the collective farm system. Here the Soviet system has just not solved the problem for the bulk of the peasantry of making agricultural work attractive and providing^{the} rewards that people would like. They are moving slowly in this direction, but much too slowly for the good of the system. The reason they move slowly is that in agriculture very large investments bring a relatively small and slow return. So that, if Khrushchev carries through his various programs for improving agriculture, this in itself will tend to limit the rate of industrial growth somewhat, as well as the rate of overall economic growth. But they can do a great deal to improve agriculture, despite the handicaps of the collective-farm system.

Therefore, we are going to see a Soviet economic system that will continue to grow, which will grow at a rapid pace, and which will therefore have greater satisfactions at home among its people, and it will also have a wider range of resources with which to carry on its foreign policy, including the military and aid programs, and the development credits for countries in many parts of the world. It will not lack resources for its military programs, but it has apparently cut back its rate of expenditure on space programs, and so they will have to

continue to make choices, and these choices are far more difficult for them than for us.

I assume you find as I do in going around the country how unpopular the foreign-aid program is among large parts of the American voters. I can only say that I have yet to meet any Soviet person, except a few top officials, directly responsible for the program, who are in any way pleased with the Soviet aid program. I'm afraid that I follow a rather nasty habit of twisting the knife in Soviet tender spots, and one standard device is to say, "Isn't it wonderful now that having achieved such great production and such a high standard of living you in the Soviet Union are now making many sacrifices to help developing people to achieve their ambitions and to overcome the lag in their way of life. Of course you say that this doesn't cost you anything because it's in the form of credits, usually, instead of gifts, but we know that you are making; by extending these credits and by making the deliveries, sacrifices, and this is a fine thing for you to do. It shows that you are now a great, responsible people." They grind their teeth, and in 99 cases out of 100 they say, "We need these things at home. We can't afford to do these things. Look what we have. We shouldn't be helping these people. They won't be grateful, anyway." Their emotions about aid programs are, I think, much sharper than they are for us, because we have for a long time had a missionary willingness to help people in other areas improve their education and their way of life, and we have done it out of a surplus in our system, not out of the bare necessities, as it true in the

Soviet Union.

But they will have the means to do it, and they have the means to move rapidly when they want to, because a decision once made at the top level can be carried out rather rapidly under their system. We must therefore say that, despite many economic irrationalities and difficulties they now have, their system will grow, it will become gradually more rational in its allocation of resources, and it will have greater resources to allocate to competing programs. There will be competing programs and difficult decisions to make.

In the conversation I had with Khrushchev, Molotov, and Malenkov in 1956 I brought up this issue. Khrushchev, turning to his two then colleagues and speaking to me, said, "We have disputes in the Party Presidium, and when we do we take a vote." I said, "Oh, do you have disputes often, on the average/^{of} once a week?" There was no answer. Then the red crept up the back of his neck. I was a completely unofficial person, so I could ask awkward questions. Then I said, "Oh, I suppose you argue about minor matters, probably, like whether to put a billion rubles into more steel capacity or to build more housing." Then Khrushchev did laugh and said, "Well, a billion rubles is not a small matter." His colleagues also laughed.

So that there are issues, there are choices they have to make, like everyone else. It is perhaps a little harder to make them without the proper and study/ consultation than it was a number of years ago.

Another approach to the economic situation is to say that, as the

standard of living improves, the people in the Soviet Union will become more conservative, they will become more anxious to to avoid risks in foreign policy and to reduce the danger of war, they will become less interested in world revolution than when they were poor. To me this is a misreading of the psychology of any people and also of Soviet psychology. In the first place, the people in the Soviet Union are generally not aware of the practical applications of the ideology in world politics. When they become aware of them and realize that they bring closer the risk of war, they become very much disturbed. But they realize there is very little they can do to influence the attitude of their own rulers.

The idea that the Soviet people, when they were even poorer than they are today, were therefore interested in world revolution is, of course, a complete misreading of the situation. Unfortunately, greater prosperity and an improved standard of living do not necessarily guarantee peace. Germany under Hitler had great potential for economic development and for extending economic dominance over many countries, but Hitler chose to use the means of war instead, and caused the tremendous destruction of great values in Europe and in many other parts of the world.

So there is no causal connection between a higher standard of living and a more peaceful outlook. In fact, it might operate in reverse, but I don't think it has much to do with it. I think that the factor of the growth of the standard of living is not an important

factor one way or the other, except in this important respect. It does greatly improve the trust of the people in their leaders and in their system. It makes them feel for the first time, perhaps, in Soviet history of more than 45 years that the regime is going to work and is going to produce something that they would call prosperity and we might call modest comfort, and that therefore the tensions between the system people on top and the mass of the people has been greatly diminished. They now believe that the leaders do intend to share prosperity more broadly, to broaden down the benefits of increased production gradually to more and more parts of the people. Thus they tend to have greater trust in the purposes of the leaders.

In 1941 Stalin said to Beaverbrook and to Mr. Harriman, in a very frank talk--he often talked in a very blunt way; in some ways he was quite a realist--when he was asked how they were reacting to the German invasion, "They won't fight for socialism" (meaning the Soviet system). "Perhaps they will fight for Holy Mother Russia." He was already pulling out all stops about defending the sacred soil of the motherland and Holy Russia and securing the cooperation of the Church in defense of the country and building morale, and so on.

So that there was not the enthusiasm or confidence in the workability of socialism as a Communist-run system in Russia, quite distinct, of course, from democratic socialism of other parts of the world, but they used the term, socialism, so I will use it, too, in this context. They didn't have that kind of trust, and millions of Soviet people thought that even a

defeat of their own country by Hitler would lead to an improvement in their own position. The peasants in the occupied areas were extremely disappointed when the Germans failed to remove the collective-farm system, because, for the Germans also, it was a better way of collecting surpluses of production from the villages than by turning the land over to individual ownership and then having to go around to each, individual peasant household and try to collect a few bushels or a few tens of bushels of grain and a few eggs, and so on.

Today this is not the case. I think that the younger generation in the Soviet Union is now much more convinced than the same or similar generation was even 10 years ago that the system will produce what it claims and will give them a better life. This in turn increases their trust in the policies of the leadership. If people are told life is getting better and better and they can check that with their own experience or their own observations they believe it much more, in spite of the temporary decline in some respects in the standard of living in the last year or two, mainly because of the difficulties in agriculture. When they were told that the Soviet Union was the only peaceloving state in the world, they listened but they didn't listen, they didn't really believe it. There was a skepticism carried over from the unconvincing character of domestic propaganda into the propaganda about Soviet foreign policy. Today, on the whole, that tends to be diminished. And today the greater trust placed in domestic propaganda carries over into Soviet people accepting the foreign-policy aims to a very great extent.

Now, there is a certain area of the intellectual field where there are some interesting changes that run counter to what I have just said about the broad impact of the improvements in the system on popular psychology on the people, especially in the cities, where they they are more aware of and more exposed to the views of the Party. This is the field of intellectual and analytical effort. Every system, no matter how dictatorial and no matter how arbitrary it appears on the outside and is on the outside, has to have a corps of people who are studying problems, watching over various possibilities, studying alternatives within the broad framework of the system, and advising the policy-makers. The policy-advising function is extremely important especially in a system which specializes so many, many decisions in a relatively few people at the top.

It is at this level that there has been some improvement in the knowledge available to the Soviet leaders in the rationality of their analyses. Under Stalin this became increasingly difficult; especially in the last 15 or 18 years he was intolerant of intellectual analytical efforts, even within security, which would question what was already being done. This meant that when mistakes were made they were terrific mistakes, because they went on and on and were multiplied throughout the country.

Today there has been some improvement in this. I remember talking with a young economist who is quite high up in the system of what might be called policy study. He was obviously a dedicated Communist.

Incidentally, the people that we want to reach in intellectual exchanges and scientific exchanges are trusted Communists, because they are the only ones who can take back new ideas and spread them informally within the system, and thus bring about a better improvement. If you want a really spineless intellectual, that's the non-party intellectual, who is so busy trying to keep in direct step with the party line at any given moment that he doesn't allow himself to think any alternative thoughts. This young economist talked with me about his work and listed a lot of things that he was reading in Western economic literature. He went on to explain how important it was for him to come to the United States to pursue his economic researches because there were certain parallel problems that he could then help solve better within the Soviet system. He looked me right in the eye and with complete frankness said, "We must read everything; we must consider everything; we must study all different possible ways of doing things, so that we can give better advice to our leadership."

That provides the opening for a greater efficiency and somewhat greater objectivity in the study of policy problems. At the present time there are numerous disputes going on within the Soviet system, all the way from trying to give a very much greater responsibility to the individual director of a factory, so that he can make the plans and be tested only by his performance and will not have to meet a large number of different criteria of performance in his job.

There are many disputes in the field of literature and the drama. One of the key people to watch on this, of course, has been Yevtoshenko ,

the young poet. On the one hand he is a poet laureate of de-Stalinization. His poem, published in October 1962, called "Stalin's Heirs," was a bitter attack not only on Stalin and many of the things he had done but on Stalinists of today, **people** who were rejecting the intellectual controls in the system and who would like to return to the simpler system of Stalinist administration. This poem was published after six months of debate, and Khrushchev himself gave permission for it to be published in Pravda. I happened to be with a group of leading Soviet intellectuals when they picked up the Pravda. They were in this country at a conference that I helped to organize, and they picked it up and began reading it among themselves. I could see what a strong impression it made on them, because to them publication in Pravda meant that this was the way it was going to move. They liked it and they were well aware that this represented a gradual broadening of the field. A few weeks later Yevtoshenko published abroad a precocious autobiography without passing it through the political controls at home, which is a very sharp violation of all Soviet regulations and customs. For this he was bitterly attacked, and some people thought he might be forced out of literature completely.

Here was Khrushchev in effect saying, "Listen, Yevtoshenko, I have published your poem, I have supported you against your enemies, the reactionaries in the literary field and in the political field, and then you turn and you publish something which is not compatible with the Soviet party values. How can you do it to me?" It really was a plaintive kind of attitude he took, but he was also very, very angry, and he lashed

out at writers and sculptors and at other people. He attacked bitterly the idea of ideological coexistence because to admit ideological coexistence would to Khrushchev mean abandoning the monopoly on truth which the Soviet Party claims and will continue to claim with some elasticity and some variation.

So that we can say that at the upper level of Soviet intellectual life there is a search for sincerity, for leeway, for elbow room. We don't need to call it freedom, which is an absolute term, but this is important and it is one of the reasons why we must try in every way to encourage contacts and discussions no matter how boring and monotonous they may be. There is some residue. The very Soviet citizen who gives you the straight official line on every point may be learning something from discussion. We should try in meeting with them not to gain debaters' points but to try to insinuate some additional information and a little understanding of other systems into their minds, so that they will take it away and think about it.

There is some progress being made in that direction, and it is extremely welcome to the upper intellectual ranks which are also strong party ranks. We must always remember that. There is really no cleavage between the intellectuals and the Party as such. There is debate within the Party as to the best kind of intellectual controls to help the Party achieve its goals.

I haven't taken up the question of Soviet strategy, Soviet military power, because I feel that you have dealt with these problems in other

parts of this very comprehensive program.

Let me end this part of the session by citing one further story that came out of the Soviet Union which illustrates the return to a kind of sense of humor, a sense of proportion, which is very attractive in Russians and other Soviet people. This is a story which led to the expulsion of a former student of mine from the Soviet Union. I told him the story in Moscow. A few months later he used it in an article in News Week and he was promptly expelled from the Soviet Union.

This is the story of a little boy who goes off to nursery school. He is very excited with the new contacts and new teachers, with learning things, with that eagerness that we know in our children. He comes home to his grandmother. They have already begun the political indoctrination in a very simple form on the first day of the nursery school. He turns to his grandmother, who takes care of him while his mother and father work, and says, "Grannie, was Uncle Lenin a good man?" He simply wants to share with her his experiences and new knowledge of his first day in school. Without any hesitation, because she remembers how Lenin let the peasants go back to work the land for themselves and saved the people from even worse starvation than they already had in 1921-22, she says, "Yes, my dear, Uncle Lenin was a good man." Then he says, "Grannie, was Uncle Stalin a good man?" She hesitates a minute. After all, she never did like collectivization, never thought it would work well, and she remembers a lot of other things that she had heard vaguely about how he had shot lots of people, and all that.

Then she remembers that, until the age of 11 to 12, you cannot rely on a child's hypocrisy. He may say things outside the family which will cause damage. So she plays it safe, as she has been doing for 40 years, and says, but with a little hesitation, "Yes, my dear, Uncle Stalin was a good man." Then he comes right back and says, "And, Grannie, Uncle Khrushchev, is he a good man?" This time, without any hesitation at all, she says, "Well, my dear, after he is dead they will tell us."

So we will have to wait and see how much of what he is doing is going to be good for the Soviet people, good for the rest of the world, and good for peace. It is going to be a very complex picture. We are going to be dealing with a system that is absolute, even though it may allow more freedom in this field and that field, more self-criticism, and even more criticism of itself. It may thus achieve the level of a system of law and a system of intellectual freedom equivalent to that which had been reached in Prussia by 1740, at the time of the beginning of the reign of Frederick the Great. The Soviet system, in any case, will be a very powerful system, with worldwide ambitions, with ambitions to impose its system where it can. It will be weighing a wide range of risks and of competition. It has a much more complex policy today than it had under Stalin. Stalin tended to look at the countries surrounding the Soviet Union and think of ways to take them over. When he met with resistance he waited or pulled back, as in the withdrawal from Northern Iran in 1946 or from Austria--which was done, of course,

after his death--in 1955.

On the other hand the Soviet Union will have greater economic resources, greater strategic resources, and, gradually, greater intellectual resources to pursue the policies of the second strongest power in the world.

DR. SANDERS: Gentlemen, Dr. Mosely is ready for your questions.

QUESTION: Doctor, in view of the fact that there is no relationship between the prosperity of Russia and the militancy, do you feel that whether or not we ship the grain will have any effect at all?

DR. MOSELY: Shipping the grain has very little long-range effect. I think our press has tended to exaggerate the importance of it. It has had some very useful byproducts, however, which work in our favor. One of these is that the Soviet people themselves have been told-- and the word has gone all through the world-- ~~that~~ the so-called capitalist system has to supply the missing element of enough grain for Soviet needs. This is a fine device, because in many parts of the world, especially in the developing countries, there are widespread illusions about the Soviet system and what it has achieved. This tends to undercut them, and that's one great advantage.

Another great advantage is that, if we had refused to sell the grain, we would have undercut the Soviet image of America which is basically a very favorable one. Basically, Soviet people think that the American system is more humane, has greater freedom, and has a higher standard of living than theirs, and they remember the times when we helped them

in the past. This has left a strong underlying strand. That's one reason why Soviet propaganda against the United States is so strident and so persistent. It is because they are trying to combat a basically rather favorable picture. I don't mean favorable in all respects but in many basic ways.

If we had refused to sell the grain, for which they were paying in gold, this would have been a serious political loss in this underlying relationship to people in the Soviet Union, because for them going without food is a concrete experience. For us it's a theory. We haven't known famine such as the Russian people have known, really, in the last three centuries. For them it's a real thing. Every Soviet family remembers that members of their family died from lack of food during World War II, or people whom they knew, who simply withered away and died for lack of food. So to them going without food is a concrete thing in their own generation. For us to stand at the door of our overfilled barn and say, "We won't even sell you food," would have been a tremendous political loss. I think it would have damaged our image in the eyes of ordinary Soviet people in a very, very serious way, more than anything else we could have done.

So I am very glad that we worked out the sale and I think we were wise to do it. In addition, of course, we have always said that food is not a strategic item and that we would sell it, even to Cuba under Castro. So that to have refused it would have been an act of political hostility which would strike home to every individual Soviet person in

a way that would be damaging to our long-range interests.

QUESTION: Dr. Mosely, would you comment on the sudden withdrawal of the economic aid and the technicians from China in 1960? Was this due purely to the ideological rift, or was it because the Soviets thought they were giving too much to China?

DR. MOSELY: They withdrew the Soviet technicians from China, and the Chinese now give us the exact figure--1569. That may not be the exact one, but they use that in their own propaganda to make it more concrete and more of a diabolical step from their point of view.

This has basically, of course, a political background, that is, a conflict over power, and it goes back a long time. In the first place, the Chinese are a strongly self-centered culture, and they were weak for 100 years and now they feel strong. They feel strong against the Russians as well as against other people. It is the reassertion of their role as a great power.

This is hard for us to understand, because we have reluctantly become a great power. We haven't adjusted in our own thinking to the realities of our great power position and responsibility.

For people in Russia the sense of great power status is a very heady wine, because they also were pushed around for a century or so and felt that they were backward. Now they feel that they are in the vanguard. The same thing is true for the Chinese, except that their sense of cultural superiority is far deeper than that of the Russians, who really don't feel quite that sure about it and never have--about

their cultural identity.

Then there is the fact that the Chinese Communist Party has had continuity of leadership since 1934. Actually, Mao tse-Tung was one of the founders of the Party. In the meantime the Soviet Union has had two leaders. The Chinese Communist Party came to power by its own efforts, basically, and not by being put into power by Soviet armies as happened in most of East Central Europe, outside of Yugoslavia.

So there was a political rivalry. In the past the Soviet judgment about Chinese affairs and about how to advance communism in China has been wrong on numerous occasions. Mao tse-Tung feels that, therefore, he is a wiser leader than any Russian leader, including Khrushchev. Beyond this there have been very definite policy problems involved.

In 1957 the Soviet leadership entered into a stage of euphoria with the development of the intercontinental missile and Sputnik. They/^{pro}claimed that this represented a turning point, that from now on they had superiority of power. Mao tse-Tung took this literally, in a way that perhaps Khrushchev didn't. He proclaimed at the Moscow Conference in 1957 that East Wind overcomes West Wind. He meant that very literally, I think.

We had the first case of a sharp split in policy in 1958, just less than a year after the demonstration of the ICBM for everyone to see. There were two things--the great leap forward proclaimed in the summer of 1958 within China, and the attempt to take the offshore islands, hoping then to overthrow the regime on Formosa, and thus end the civil war

within China. I felt at the time that the Chinese leadership made these decisions without consulting the Soviet leadership, and yet it involved Soviet interests very directly. In the case of the attack on the offshore islands, it was necessary for Khrushchev to make a previously unannounced visit to Peking. It was my opinion at the time that he was laying down the limits to which Communist China could call upon the Soviet deterrent, and that he was saying, "Well, do this and do that, but don't count on us beyond a certain point." When the crisis began, in late August and early September in 1958, over the offshore islands, it did follow a very rigid minuet of doing a certain amount but not going too far in a way that would involve the Soviet deterrent directly.

Similarly, on the great leap forward and the communes program within China, this meant that if it failed, and the Soviet leaders were convinced that it would, the Soviet Union would have to make up the deficit. In other words, the Chinese leadership was committing Soviet resources on the assumption that the Soviet Union could not afford to let Communist China fail in its programs, both for forced industrialization and the establishment of communes, a completely collectivized system in agriculture.

The great leap forward did fail basically, and then, when Communist China needed the Soviet resources, the Soviet Union withdrew to a considerable extent from helping them. In the meantime the dispute had taken the form of a political dispute: Does Communist China have the

right to determine its own policies in these important ways, or must it first coordinate them with the Soviet center of power? This came to a head in the spring of 1960, when the Chinese Communists began to put forward the claim that they were the true Leninists and the Soviet Union, which they attacked indirectly by attacking Tito and Titoism, was revisionist.

Then, of course, it moved from stage to stage. The Soviet leadership took a pretty drastic step when it withdrew its engineers and, allegedly, took back even the blueprints for the factories that they were building. Whether Communist China was refusing new Soviet aid and credits or whether the Soviet Union refused them, we don't know. I don't think there is any way to determine that. It's quite possible that the Chinese Communist leadership took the initiative of saying, "We are not asking you for credit; we are just asking for your technical assistance," because they felt that the Soviet leadership would impose its own conditions on Chinese Communist policy. Maybe the Soviet leadership said, "Look, we can't afford, in rebuilding Communist dominance in East Central Europe, in helping India, and in offering aid to many other countries, all this for you, and you ought to pay your own way."

We don't really know by which steps that issue came to a head, but it certainly came to a head by the summer of 1960, and the withdrawal of the Soviet engineers and technicians was a sign of that increasing tension.

QUESTION: Sir, referring back to your answer on the wheat shipment,

would you recommend an extension of our trade with Russia perhaps to the extent of selling chemical manufacturing equipment?

DR. MOSELY: Well, sir, I think that we should have a more relaxed attitude toward questions of trade, and we should follow a more differentiated policy toward different Communist countries. I would say that we should also overcome one of our own assumptions about trade, and that is that it plays a very big role in Soviet development. It plays a modest role. It helps in some modest degree, but it is really a very small factor in their overall rate of growth, most of which is developed from within by their own technology, machine building, scientific advances, and so on, together with borrowing of techniques.

The rejection of all trade with the Soviet Union would not greatly diminish their rate of growth. It would have some very slight, marginal effect. Actually, the almost complete embargo on trade has tended to increase their own self-sufficiency, although probably at somewhat a slightly greater cost to them in terms of other things they might like to do.

So we should not fall into the assumption, first, that trade is itself a big item. It is a marginal item. Another assumption that tends to be carried forward in our thinking, and based on our own experience in two world wars, is that the industrial potential for war is a very crucial factor. Now, this was true in Russia's failure in World War I. Its relatively rapid industrial growth was an important factor in its survival in World War II, because their lend-lease did not come in in

great quantities until they had already reached a turning point and were beginning to gain ground and territory.

Today, if we were to be involved in a general war, the question of how much industrial equipment one had and the size of the productive system would be relatively less important because there would probably be a tremendous destruction of this equipment and of the people who operated it in the first few days or even hours of a nuclear war. Therefore, in a way, the question of industrial potential is not as important in the peacetime strategic thinking of political strategy as it was in earlier times.

Also, we have to consider whether we must hold the line on strategic equipment. Here, of course, the experts would have to decide. I would say that if we can distinguish between certain types of chemical equipment that are primarily for peacetime uses--more fertilizer, plastics, and so on--we should be willing to trade in those, too, just as Britain, West Germany, France, and other countries are trading.

I think what is more serious than the question of a little more trade with the Soviet Union is whether we can bring about some sort of agreed arrangement with our allies, the other major industrial countries. I think that if we relax our control somewhat to define a little more broadly the concept of nonstrategic goods, if we could get an agreement with our allies--I'm not sure we can--on the two factors, first, of definition of strategic goods which must be withheld by all of us and,

secondly, of credits--terms and extent of credits--this would be a very important thing to do. I'm sure we can't do it as long as we define our trading policy with the Soviet Union as rigidly as we do, because our allies have already broken away on that. But I feel that we are in danger of financing/ ^{Soviet economic development} if, for instance, Britain gives 13-year credits for industrial equipment. This is a form of subsidizing them, and I'm against that strongly. I think we would have a better chance of getting agreement on a definition of strategic goods and, secondly, on credit policy if we relax somewhat our stand and are therefore not isolated from our own allies on this matter.

I would also follow a very rigid policy of embargo against Castro's Cuba, because this is a Western Hemisphere matter and not, from our point of view, primarily a Communist grouping matter. I would be willing to review our trade policy toward Communist China if that will give us any prospect of getting a lessening of tension in Asia. I am not at all sure that it would, and therefore I don't have a firm opinion on that. I would keep our most-favored-nation treatment of Yugoslavia and Poland because in these cases we have given them a greater range of opportunity for trade. We have increased their ability to be independent of Soviet policy, and we have encouraged them to set an example of somewhat more friendly dealings, in some ways, with the West, which might serve as a useful example to their more rigidly controlled Communist neighbors.

So I favor a differentiated policy on the question of trade toward different members of the Communist grouping. I can't call it a Communist

bloc any longer.

QUESTION: Dr. Mosely, the Soviet central-state, directed economy, or the direction of several economies with different currencies and pricing systems, apparently presents more of a problem than that in the market mixtures of the West. With this in mind, in the integration of Soviet economic plans and policies with those of the Warsaw Pact countries, they appear to have liked to achieve a common currency and a common pricing system. Do you think they will be able to achieve it?

DR. MOSELY: The Soviet satellites in East Central Europe and Outer Mongolia, which for this purpose operate as part of the CEMA, or Council of Economic Mutual Aid, are trying to improve their condition of labor. They have achieved some gains in this. They have assigned certain types of production to certain countries for the bloc as a whole, or at least for the 110 million people in East Central Europe, and they have now embarked on a system of multilateral clearances through a bank in Moscow which is operating on a very small scale so far, because bilateral clearing of balances is a very cumbersome and inefficient way to carry on trade in a grouping.

I think it is going to be just about impossible for the Communist grouping in East Central Europe and the Soviet Union to achieve a genuine, efficient pricing system. At the present time different commodities fall within a very different range of prices in the different countries, because they are all operating under controls over both

trade and financial transactions. For example, the price of tobacco in Bulgaria is far lower than that in the Soviet Union. In terms of the official rate of exchange between the lev and the ruble they are not going to allow free importing, and so on. They are going to keep on planning the trade.

I frankly think it is just about impossible for the bloc to achieve freely determined prices within their own countries or in trade with each other, and therefore I think that this major aspect of economic rationality will remain outside their grasp for a long, long time to come.

It is conceivable, as in the Polish and Yugoslav example, that a Communist country could have a relatively flexible and almost free system of price determination, but it is very difficult to do that and achieve other goals that they set for themselves. For the Soviet Union to do it would be very, very difficult. For example, ⁱⁿ the whole field of raw materials and agricultural products ^{it} would be almost impossible for them to achieve a system of free prices determined on the market, without tremendous upsets, great unemployment, removal of millions of people from the land, because the land on which they live and produce is just not productive enough in terms of the quality of the land, rainfall, climate, and so on.

So that I think the Soviet Union cannot afford to go over to a free price system for a long, long time to come, if ever. Therefore it is impossible for the others to do the same in their international

trade. It will continue to be a regulated trade.

On the other hand, trade between the satellites and the Soviet Union will remain very high and may well grow. For one thing, the satellites need agricultural goods and raw materials, and the Soviet Union is their major supplier for many commodities, except cotton, and they have built industrial systems that depend upon Soviet manganese, Soviet oil, and other Soviet raw materials in the industrial field.

These countries have also pressed their industrialization at a high cost, and many of their industries are inefficient. They can sell their industrial products in the Soviet Union more readily than elsewhere, and so, as they press forward their industrialization, they are also going to remain more closely tied with the Soviet Union.

In spite of that prospect then, for close economic dependence on the Soviet Union, I think we should encourage them to trade as much as they can with the West, because this will widen their freedom of choice, it will have psychological and cultural effects within their systems, it will enable them to assert their own priorities within their economic development which will make it more difficult for the Soviet Union to exploit them for its own benefit.

So I think that we should try to help the satellites to trade with the West when they are willing to make the effort.

QUESTION: Sir, when you assess the strength of the Soviet Union, what importance do you attach to their gross national product, and what credence do you give to the figures they publish?

DR. MOSELY: The gross national product is, of course, a useful index. It is especially useful within a single economy, because it allows a basis for comparative analysis and it establishes trends. It is much less valuable in international comparisons, especially when the systems of analysis are so different as they are between the West and the Soviet Union, and when the political priorities established for the economic system by the political leadership are so very different in the different systems.

Let's take just one or two examples of the problem of analysis. The Soviet system of calculating gross national product does not take account of the nonmaterial or service additions which we consider very important. After all, if I can get a suit cleaned promptly and cheaply and efficiently, so that it lasts several years longer than it would otherwise, that is an addition to my comfort and cleanliness and to the gross national product. This kind of thing is not counted in the Soviet system. We count all those. The Soviet system of services--retail trade and distribution--generally is extremely backward. If they are going to achieve two-thirds of the U. S. standard of living overall, they are going to have to make great and relatively unproductive investments in these fields in order to reach even two-thirds of our standard of living.

There's another way in which the Soviet calculation is quite different. At each stage of production and a given commodity, from raw material to final-use product, it might go through anywhere from 6 to 36 stages. We count the value added at each step. They count the total

value at each step. In other words, they count the value of the steel and they count the value of that steel over again in the refrigerators, television sets, and so on, at the final stage.

We take full account of this, of course, in calculating the Soviet GNP.

Now, there's a third problem in these comparisons, and that is: What is the system, what is the allocation of resources and efforts which we are going to calculate? If we take the U. S. structure of the economy and the way in which we use our time, energies, and resources, the Soviet economy comes out at about 38 percent the size of ours. If, however, we take their system and compare ours to their system, their system is about 68 percent the size of ours, because of the different priorities set in our system by a relatively open market economy, with large government intervention and with managed prices in about 20 percent of the field, and, of course, managed prices in agriculture, too, and what they have in their system.

When people say the Soviet economy is about 45 to 48 percent the size of ours, they are averaging these two figures, but they are two quite different figures. If we take the areas of growth in the industrial field, the Soviet Union is turning out about the same number of machine tools as we are. Theirs is about 90 percent the size of ours. If we take cars for private use, theirs is only about 5 percent of ours, and so on.

This is why I say that we should use the comparisons, the international comparisons, of GNP rather cautiously and not draw too many

conclusions from them. In any case, our economy, in absolute terms, at a lower rate of growth, is adding about the same increment each year to our economy as is being added to the Soviet one. Because a large part of their increment is building new machines, building new things to produce, and because there is a relative neglect of the consumption and agricultural sides of the economy, they will gradually overtake our gross product. But this going to be quite a long time coming, and we have to decide in the meantime what we need and what we want to do with our economy. We shouldn't become over-fascinated by relative rates of growth.

DR. SANDERS: Dr. Mosely,^{we} thank you very much for a very informative lecture.