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## COMMUNIST AREA

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### HAS KOSYGIN WON A SHOWDOWN ON DEFENSE SPENDING?

The recent two-day session of the Supreme Soviet of the USSR, outwardly a routine and uninteresting event, may possibly be recorded in the annals of Kremlinology as a milestone in the history of the current collective leadership in Moscow. A variety of evidence, from diverse sources and of differing credibility, suggests that this session was preceded by serious disagreements within the Politburo on economic policy, particularly on the manner in which defense and civilian investment are to be divided in the new Five-Year Plan. By all indications this dispute came to a head rather abruptly, probably in the middle of July. The necessity of resolving it accounted for the failure of the Soviet government to present a final draft of the plan to the Soviet legislature. While differences could not be resolved in time to finish the draft plan before the session, it appears nevertheless that Kosygin scored a victory as a result of which his personal position within the leadership has been solidified and his economic goals have been confirmed. Bearing in mind that further revelations may contradict this speculative hypothesis, one may proceed at this point to test it against existing evidence.

The pertinent evidence arrays itself into two categories of firmness. Among the more or less "hard" facts are the following:

- 1) The Supreme Soviet session of 2-3 August failed to take up the new Five-Year Plan even though it is now over seven months late and the 23rd Party Congress of last April promised its presentation in the near future. In his election speech of 8 June, moreover, Kosygin implied that the plan would be among

the first matters taken up by the new legislature, presumably in August.<sup>1</sup> Thus it would appear that, as of early June, Kosygin felt a draft could be finished in time. Something intervened, however, to render his optimism unfounded. Technical obstacles may have held up the final version of the plan. Soviet planners are apparently having some difficulty in working out the long awaited reform of wholesale prices, which will surely have some impact on the terminal results of the next Five-Year Plan. Yet the price-reform problem is unlikely to account for the delay of the Five-Year Plan's final draft since specification of the final control figures can proceed on the basis of material balances as it has in the past. Moreover, Soviet planners anticipated well ahead of time that the plan and the price reform, the latter promised for implementation only in 1967 and 1968, would go forward out of phase.

2) By the time he was called upon to present the program of the Soviet government to the Supreme Soviet, however, Kosygin could promise that the "drafting of the new Five-Year Plan will be completed soon," suggesting that the difficulties which arose had been overcome or were in the process of solution.<sup>2</sup> Of greater significance is Kosygin's revelation in his speech for the government that the basic guidelines of the plan laid down at the 23rd Congress have not been noticeably revised. Specifically, its consumer orientation retains its original strength. Kosygin stated, "We shall unswervingly follow the line mapped out by the party and directed toward increasing the pace of growth of the output of consumer goods so as to bring it closer to the pace of growth of the output of means of production." Even his qualification on this theme, following the line enunciated at the Party Congress, placed strong stress on consumer interests:

It goes without saying that this in no way means that less attention will be paid to heavy industry. The line toward priority development of heavy industry--this material basis of the entire national economy--will be continued. Developed first of all will be those branches which determine technical progress in heavy industry itself and in those branches of the national economy producing consumer goods and (in particular) in agriculture.

From Kosygin's speech one should conclude that other pressures did not force revision of the allocations envisaged by the

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1) Radio Moscow, 8 June 1966.

2) TASS, 4 August 1966.

Congress's guidelines. Kosygin's two statements on the need to strengthen Soviet defense, incidentally, appear to have been quite routine.

3) Finally, a fact rendered significant by the rumors enumerated below is the reelection to a man of Kosygins' government, including himself.

By themselves the foregoing developments would suggest very little of political interest, merely that the collective leadership is steaming along smoothly, that it is holding to its carefully prepared economic goals, and that unidentified technical difficulties, which did not become political issues, account for the tardiness of the finished Five-Year Plan. But a considerably different light is cast on this tranquil picture by other evidence which is, while hardly firm, too important to ignore. The following elements must be accounted for:

1) On 31 July Edward Crankshaw, an experienced observer of the Soviet scene, wrote in the London Observer, "Mr. Kosygin will shortly resign from the Soviet Premiership, according to a most reliable source in Moscow." This rumor appeared outlandish at the time and proved false. Nevertheless a Moscow source which Crankshaw regards as "most reliable" must have read fairly convincing signs of a serious political struggle going on in the Kremlin. Even were this story a plant by some Soviet faction, such a plant could not take place but in the context of political struggle. Crankshaw went on to argue that Kosygin would quit because he was tired of fighting hardliners on defense and other matters. Concurrently rumors reached the West that a wider shake-up in the Soviet Council of Ministers was imminent.

2) On 20 July Pravda carried a dramatic political editorial which forcefully asserted the permanence of collective leadership at all levels of the CPSU and leveled strong criticism at party secretaries who violate this principle.<sup>3</sup> According to long established axioms of esoteric communist communications, one was forced to read this declaration as a warning to unspecified leading figures from whom a threat to the collective leadership was either feared or had been manifested. One had also to conclude that the potential or actual threat came from the CPSU Secretariat. The Pravda article pointed therefore to the strong possibility, if not probability, of political dispute within the collective leadership. In the past, power struggles have generally focused on specific policy issues, among which allocations policy has always been of high importance. At the same time, however, it suggested that by 20 July any political struggle which may have developed had been resolved in favor of a majority within the Politburo which pledged defense of collective leadership against potential usurpers.

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3) See Background Information USSR, "CPSU Central Committee Organs Stress Collective Leadership and Economic Reform," 30 July 1966, by Fritz Ermarth.

3) A survey of the Soviet scene over the past several months yields a number of possible issues which might have divided the collective leadership politically and which might have led to a showdown in the Politburo. Although other issues cannot be ignored, the one which stands out most strongly, by the nature of its manifestation as well as its inherent political importance, is defense. If one starts out looking for signs that Soviet leaders have recently differed on defense allocations policy, one finds fairly convincing ones in the election speeches they delivered early in June. Briefly, one finds that, among the members of the Politburo, Brezhnev, Shelepin, and Kirilenko, all party secretaries, made relatively strong statements on the need to strengthen Soviet defense, with Brezhnev and Shelepin alluding specifically to the past and present need for sacrifice in this cause. Kosygin, Podgorny, Mazurov, and Polyansky, who are not party secretaries, appear to have issued weaker and more routine statements on this theme, as did Suslov, a secretary and Politburo-member, and Ustinov, a secretary with heavy responsibilities for the defense industry. In any event, as of early June an incipient difference of opinion seemed to be indicated among the members of the Politburo as to the current demands of defense on economic resources. At that time, however, the issue may have remained at the level of differing perspectives or inclinations rather than active political dispute.

On the basis of the foregoing facts, rumors, and assorted hints, it is possible to weave together a speculative scenario regarding a possible policy showdown within the Soviet leadership. As a result of American escalation in Vietnam at the end of June and the increased commitments vaguely pledged by the Soviet Union and her allies at the Bucharest summit, a faction in the Politburo, inclined toward favoring defense as an economic claimant and possibly centered in the Secretariat, called for a revision of the plan guidelines and thereby abruptly halted further work on the final definition of the plan. They might have argued that dramatic increases in Soviet aid to North Vietnam were demanded by Soviet international interests and that this aid, along with the increased risk of confrontation with the United States, required a general increase in current defense expenditures plus increased defense investment for the future.

The other members of the Politburo, perhaps led by Kosygin, saw this proposal as a threat to previously agreed economic objectives at home, to the prudence of Soviet policy in Vietnam, and, finally, to the stability of the collective leadership itself. An explosive policy issue might thus have suddenly raised the old question of Soviet politics: Kto kovo?, who is going to decide policy and who is going to survive politically? If a dispute did develop along these lines, it would appear that the



"Kosygin faction" won in defense both of his domestic economic goals and of the collective leadership. This would be the meaning of Kosygin's speech to the Supreme Soviet and the Pravda editorial of 20 July. Rumors about Kosygin's resignation and projected ministerial shake-ups may have been the radioactive cloud from this explosion that only belatedly drifted to the West.

Despite the atomic metaphors above, an internal dispute along these lines need not mean that the ties holding the collective leadership together have been irreparably strained. On the contrary, the dispute, if it indeed took place, would appear to have been resolved with relative success. If this has been the case, it would itself suggest the growing stability of oligarchical politics at the summit of Soviet power. Yet such struggles never fail to leave their scars and resentments, and these in turn come to bear in the next test of strength.

Fritz Ermarth