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INTELLIGENCE MEMORANDUM

THE MILITARY ISSUE IN SOVIET POLICY  
DURING 1965

DIRECTORATE OF INTELLIGENCE  
Office of Research and Reports

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THE MILITARY ISSUE IN SOVIET POLICY DURING 1965\*

Summary

Soviet military authorities have reason to regard the year 1965 as marking a propitious beginning for the post-Khrushchev era in Soviet military policy. A year before, the prospects had been uncertain: the budget announced in December 1964 had called for a cut in overt defense expenditures, and statements by the leadership on the accompanying economic plan seemed to reflect greater concern with the needs of economic growth and consumer welfare than with the needs of the armed forces. Equally ominous from the military standpoint was the failure by the regime to declare its intentions regarding Khrushchev's troop-cut policy -- an issue which held the key to the new leadership's attitude toward military interests. If high military officials were participating in the regime's policy councils at the time, there was little evidence that they were making a convincing case for the interests they represented.

A year later the situation had changed visibly. The new budget announced in December 1965 signaled an increase in defense expenditures, and the new economic plan is clearly tailored to the expectation of a continuing heavy defense drain on national resources. Khrushchev's troop-cut policy has evidently been settled to the satisfaction of the military. Soviet officers have indicated as much in private disclosures, and the trends in doctrinal literature support these indications. The question of the military's role in these policy developments is harder to assess, but it is a notable feature of the current political scene in the Soviet Union that no political leader has put himself forward as a spokesman on military policy, as Khrushchev did, and that the public discussion of military matters is being left to the military itself.

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\* The estimates and conclusions in this memorandum represent the best judgment of this Office as of 31 January 1966.

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These indications of change in Soviet policy can be explained in part by factors which have little to do with military considerations and which are independent of any influence that the military as an institution may have exerted. The disappointing harvest in 1965, for example, undoubtedly contributed to the depression of economic growth rates registered in the current economic plan.

Nevertheless, there is also evidence that military considerations played a specific role in these developments. What this evidence is, and what it implies for Soviet policy, is the subject of this memorandum.

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1. The Resource Allocation Problem

The new leadership, having criticized Khrushchev for poor management of economic affairs, was under strong pressure to improve the performance of the economy, which was faltering badly on the eve of a new five-year plan. Improvement of performance was to be effected on three fronts: managerial reform, administrative reorganization, and economic programs designed to improve the flow of output of agricultural and industrial products. The managerial reforms and reorganizations, while politically significant and potentially somewhat disruptive, were not directly relevant to the problem of resource allocations. This particular problem came as a result of economic programs that threatened to cut into the limited supply of national resources available to support existing programs.

As always, the "guns versus butter" issue lay at the heart of the problem, for whether the question was viewed as choosing between civilian and military production on a current basis or choosing to invest for economic growth rather than current consumption, it came down to a matter of assessing the urgency of the military's claims on national resources. Thus the principal issue facing the Soviet leadership at the beginning of 1965 was whether military requirements could be kept at a level commensurate with its other goals and commitments.

Judging by Kosygin's speech to the Supreme Soviet in December 1964, the Soviet leadership began 1965 with optimistic assumptions on this score. In words reminiscent of Khrushchev's last speech before his downfall, Kosygin asserted that the development of heavy industry in the Soviet Union had reached a stage at which it was capable "to a considerably greater extent than before" of supporting agriculture, light industry, and the other branches of the economy serving the consumers' welfare. He also called for a speedup in the growth rate of the light industry side of the economy so that it could be brought closer to the traditionally favored heavy industry sector. While there was nothing radically new in these proposals, they were politically bold, implying a willingness on the part of the leadership to undertake necessary measures in the economy even at the risk of violating shibboleths dear to the military heart.

A more concrete expression of the approach the leadership was taking to its economic problems was contained in the agricultural program which Brezhnev unveiled at the March Plenum. The significant features of the program from the standpoint of the resource allocation question were the size of the investment involved and the long-term nature of the commitment. The investment involved a doubling of state capital expenditures, compared with the average of recent years, and the underwriting of additional substantial expenditures in the form of state subsidies for higher agricultural prices. The timespan of five years over which the program was scheduled to run implied that the regime had arrived at a fairly firm determination that the needs of defense were not likely to grow inordinately and that long-term commitments could be made on behalf of economic expansion. That the program would involve some sacrifices for other claimants

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on national resources was implied by Brezhnev's statement that a "redistribution" of budgetary means would be required to support it.

There was no explicit indication that the leadership expected to find the necessary funds for agriculture at the expense of the armed forces. Indeed, Brezhnev ignored the subject of defense entirely in his long speech outlining the agricultural program, as did Kosygin in his speech to the planners some days earlier. Yet the prospect of additional heavy state expenditures for agriculture may have forced the issue of defense requirements to the forefront. In any event, it soon became evident that strong pressures on behalf of defense interests were being brought to bear on the leadership. These pressures were no doubt also related to the darkening of the international outlook associated with the Soviet Union's involvement in the Vietnam war. By late spring, it was apparent that the regime's economic programs had run into trouble.

For the first time since the beginning of the new regime, Soviet leaders began to speak of the burdens imposed on the economy by defense. These statements attract attention, if for no other reason than that the subject of defense expenditures had rarely been presented in this way before in Soviet public statements. All of them reflected a defensive attitude regarding the size of defense expenditures. Some of them implied -- directly or indirectly -- that the size of these expenditures required some sacrifice of other goals.

Brezhnev was the first to raise the subject with his acknowledgment in his Victory Day speech that "a considerable part of our national budget" went for defense expenditures. "We do not conceal the fact," he asserted, "and the Soviet people understand well the need for such expenditures." Mikoyan followed with a speech on 29 May in which he stated, "Our state spares nothing to produce new kinds of weapons in large quantities to replace those which become obsolete." Admitting that this was expensive, he added, "It would be even more expensive if we failed to do this."

Suslov came next with a speech in Sofia on 2 June in which he pointed up a direct relationship between defense expenditures and welfare goals. "Of course we would like the life of the Soviet people to improve," he said, "but we are compelled to take into account objective reality which forces us to allocate considerable funds for the defense of our country." Kosygin carried this theme a step further in his speech in Volgograd on 11 July. He pointed out that the maintenance of up-to-date armed forces demanded "very large sums which we would gladly direct to other branches of the national economy." This could not be done, however, he said, because "to economize on defense would mean acting against the interests of the Soviet state, against the interests of the Soviet people." Finally, as if to add the credentials of collective authority to this official apology, the theoretical journal of the Party, Kommunist, came out in the following month with an editorial which reiterated the substance of the above remarks.

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These events marked the turning point in Soviet policy during 1965 on the military issue. It is still uncertain whether a final resolution of the issue was achieved at that time or whether fundamental controversies continued throughout the subsequent plan and budget deliberations. But it is apparent that the disposition of the Soviet leadership manifested at that time prevailed and that the policy orientation it expressed affected the decisions that are now embodied in the plan and budget for the coming year. It is also apparent that the changes in resource allocations that were adopted to accommodate military requirements did not reduce the commitments to agriculture undertaken at the March Plenum.

Thus, a year after the leadership had started out with the evident intention of giving a new impetus to the growth of the economy, it has found itself frustrated by the requirements of defense. Judging by the evidence cited above, this dilemma was one which had been unanticipated by the leadership at the beginning of the year. Hence the cause of the problem must be sought in some new development during the year which increased pressures for military spending beyond the limits that could be accommodated within the existing framework of expectations and commitments.

## 2. Military Claims on Resources

There were many indications in the public commentary at the time that one source of these pressures was the military establishment. Not only was there the indirect evidence provided by the renewed assertions of the need for "strengthening" the armed forces that punctuated public statements during the spring and early summer, but also there was both direct and indirect evidence that demands were being put forward regarding some special issues concerned with military industry and military manpower.

That the subject of military industry had acquired some new importance in the regime's policy considerations was indicated in several ways. Some of the speeches mentioned above, as well as other speeches and articles, contained phraseology which seemed to imply some particular solicitude for military "industry" -- a specification which attracts attention because of its relative infrequency in general statements on military policy. Mikoyan, for example, in a speech delivered to the Tank Academy on 1 June described the development of military industry as "extremely" necessary. In his speech on 29 May he had also referred to military requirements in terms of the need for a steady flow of armaments production. Shelepin, in his speech in Severomorsk on 24 July, also took pains to mention military industry -- in two places -- in his otherwise standard assertion that the government intended to devote untiring attention to the strengthening of the armed forces.

More specific indications concerning the nature of the issue were provided by the military press. An article by a Colonel Miftiyev, which appeared in Red Star on 4 June, for example, put the issue in terms of the proper allocation of manpower between civilian and military production.



He argued that in the conditions of the nuclear age the need for manpower in military industry was higher than ever before. Whereas states could previously count on transferring industry to military production after the start of a war, this might no longer be feasible. Hence the "stocks of materiel, in particular, of armament and ammunition," produced before the outbreak of hostilities have acquired "greater if not primary importance" among the factors which will determine the outcome of a future war. He argued that the problem of insuring adequate labor resources for military industry would not be eased appreciably by automation, because production of advanced weapons did not lend itself to mass-production techniques. High-quality labor was particularly necessary for the production of modern military equipment, he asserted.

A different argument was advanced by General Kurochkin in the same newspaper on 9 July. Addressing the question of the nature of the imperialist threat at the present stage in history, Kurochkin sought to make the point that the theoretical possibility of averting war did not lessen the possibility that war might nevertheless be thrust upon the Soviet Union. In developing this argument, he adduced figures to show that military expenditures in the NATO countries had risen continuously in the postwar period and that, in the United States at least, a favored component of this rising investment was research and development. The implied lesson was that the Soviet Union should match the efforts of its potential adversaries.

These indications taken together suggest that one of the issues brought to focus in Soviet policy during the period in question was the level of effort to be devoted to the development and production of military hardware. Whether this was brought about by the necessity of deciding on one or another weapons program or whether it reflected merely the insatiable appetite of the military establishment for a constant flow of economic resources into military production cannot be determined. Some new light on this question may be shed as evidence on the course of Soviet weapons programs is accumulated.

Another issue on which military pressures were brought to bear on Soviet policy during the year was the question of the ground forces' share of money, manpower, and hardware. While much of the evidence on this subject is indirect, it adds up to a convincing case that changes were adopted in Soviet policy during the year aimed at improving the Soviet Union's capabilities to engage in conventional warfare. The implications of such changes for the problem of resource allocation would lie not only in the direct costs involved in maintaining and equipping higher manpower levels but also in the indirect costs to the economy involved in the diversion of additional resources of manpower and materials from other programs.

The evidence of a change in Soviet policy on this issue is derived both from the trends in doctrinal literature and from private disclosures

by Soviet military officers. On the doctrinal side, there were scattered indications during the early part of the year that the question of the role and size of the ground forces had again become a subject of controversy. A polemical exchange between Marshals Shtemenko and Rotmistrov over the question of whether the infantry still warranted the title "queen of the battlefield" was one manifestation of this development. Another was an article by Marshal Rotmistrov in Kommunist, in March, which indirectly argued for a strong ground force by disparaging the opposite policy which had been espoused by Khrushchev -- a policy which Rotmistrov described as setting off one branch of the armed forces against another on the basis of "subjective opinions." Another was an article by Marshal Malinovskiy in the restricted theoretical journal, Military Thought, in May, which included the assertion "We consider it premature to 'bury' the infantry as some people do."

More direct evidence was provided by a series of statements by high Soviet military officers. The first was by Marshal Rotmistrov in June. Commenting on the balance of strength between the United States and the Soviet Union, Rotmistrov emphasized that the Soviet Union was a continental power and that it would maintain the capability to overrun Europe even without the employment of nuclear weapons. It would be foolish, he averred to think that in this situation the Soviet ground forces would be reduced. On the contrary, he said, they have been strengthened, for both nuclear and non-nuclear war. The second was by Marshal Chuykov in August. Commenting that he had been reinstated as Commander-in-Chief of the Ground Forces, he added: "Some people thought they could do away with the ground forces but found out they couldn't do this." The third was by Marshal Sokolovskiy in October. Commenting like Rotmistrov earlier on the "nuclear stalemate" between the United States and the Soviet Union, he asserted that a constant updating of views was necessary on the relative roles of missiles and ground forces. The views on this question expressed in the book Military Strategy, he said, were being refined to include the possibility of non-nuclear war.

As with the question of military industry, it is difficult to translate this evidence into terms of the specific resource-consuming programs which may have been involved. It seems probable that the enhancement of status of the ground forces reflects some decision to increase military manpower beyond the levels anticipated by Soviet planners at the beginning of the year. It seems probable, also, that a corresponding increase in planned procurement of ground force equipment has accompanied this development.

In sum, many small pieces of evidence can be assembled to show that pressures for military spending were intensifying at approximately the time that the Soviet leadership was indicating that a turn in economic policy had occurred.

### 3. Conclusions and Implications

The evidence adduced above tells its own story concerning the course of Soviet policy during 1965. The Soviet leadership began the year with the evident expectation that military expenditures could be kept at levels permitting an acceleration of the growth of the economy as a whole. For reasons which are not entirely clear, but partly, at least, because of pressures from the military quarter, this expectation was changed. As far as the evidence goes, this is the end of the story.

But Soviet policy is more than a mere technical response to problems and needs. Decisions taken in one or another area of policy tend to reflect a general orientation relevant to Soviet policy as a whole. Hence it is often possible to infer changes affecting the whole range of Soviet policy from changes in a particular area.

Seen in this light, the developments of the past year may be regarded as carrying implications extending beyond the range of the particular issues involved. They suggest, for example, that a generally conservative tendency may now be gaining dominance in the leadership, that leaders disposed to stress military considerations in the formulation of policy are enjoying greater influence. More particularly, they point to an enhancement in the influence of professional military leaders in the formulation of policy. The broader economic implications are less clear because it is uncertain whether the decisions taken over the past year involve short-term or long-term commitments. But it seems reasonable to assume that military requirements are now exerting a sharper influence on economic planning and that the economy will be constrained for some time by the choices that have now been made.

It would be premature to go beyond this, however, and to conclude that the Soviet Union is now definitely set on a hard-line course. The process of power readjustments characteristic of a period of leadership transition is still going on in the Soviet Union. In this process, policy commitments tend to become negotiable. Apart from this, there is the manifest fact -- often acknowledged by the Soviet leadership -- that shortcomings in the economy and unsatisfied consumer demands pose a serious political problem for the Soviet Union. A commitment to satisfy consumer demands has been a basic plan of every political program proposed in the Soviet Union over the past ten years. Given the expectations that have been thus aroused, the pressures on the leadership for effective remedial measures are strong and unrelenting. Hence the Soviet Union is unlikely to abandon the drive toward economic expansion, and, sooner or later, will probably resume the momentum in this direction that was apparent earlier in the year.

Whether it will be sooner rather than later will depend in large part on the international situation. The present military accent in Soviet policy is almost certainly a reflection of genuine apprehensions

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aroused in the Soviet regime by the war in Vietnam and the deterioration of relations with the Chinese. But it also registers the enhanced influence of those elements in the regime who derive strength from an atmosphere of international tension. A milder international climate might create the conditions in which the Soviet Union would feel confident in resuming vigorous measures of domestic reform. It would at least undermine one of the arguments which conservative political leaders could use to inhibit such a development.

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