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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

12 February 1953

STAFF MEMORANDUM NO. 323

SUBJECT: Consultants' Meeting at Princeton, 5 February 1953, on
Draft of NIE-65*

Dr. SONTAG began by asking for comments on the significance of the recent purges. By way of over-all comment, Mr. FAHS noted that they were acts of consolidation, and thus offensive rather than defensive in character. He wondered, however, whether there might not be considerable Soviet concern over the dependability of the Satellites in the event of war and pointed out that the present estimate doesn't differentiate between peacetime and wartime conditions. With respect to the stability of the Soviet control structure, he felt that decision-making by the "hatchet technique" was a source of weakness but that he would hesitate to say that the present situation would critically weaken the Soviets. He pointed out, however, that the recent purges, which he felt implied a possible Soviet shift with respect to Germany and the Middle East, would hurt the Soviet psychological warfare position in other parts of the world.

Dr. MOSELY expressed the view that the arrests and denunciations in Moscow represented the consolidation of a victory by Malenkov rather than the beginning of a fight as some have suggested. He felt that in the Soviet system open attacks on the secret police such as those recently made would normally follow rather than precede a major change and would in part be designed to indicate to all concerned what the new setup was. In his view, Stalin--still in control but

* Present: Dr. Raymond J. Sontag, Board of National Estimates, Chairman; Mr. Hamilton Fish Armstrong, Dr. Samuel Flagg Bemis, Dr. Burton Fahs, Ambassador Joseph C. Grew, Lieutenant General Clarence R. Huebner, Dr. William L. Langer, Dr. Max Millikan, Dr. Philip Mosely, and Dr. Joseph Strayer, Consultants; Dr. Ludwell Montague, Board of National Estimates; Messrs. Byrnes, Graham, Hewitt, and Komer, O/NE Staff.

DOCUMENT NO. 22
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S (C)
NEXT REVIEW DATE: 2010

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AUTH: HR 70-2

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manifestly getting older and probably anxious to avoid a struggle for power after his death--had given Malenkov the green light some time before the party Congress. Beria had apparently accepted a subordinate position, Malotov's power is fading away, and all that remained was the mopping up. He suggested that some regrouping of the military might still take place--that the military "victims" of the doctors' plot might be Malenkov men.

Dr. SONTAG commented that this interpretation was 180 degrees away from Kennan's view of Stalin as an old man refusing to admit his mortality, tending to repeat himself, and depending on the divisions among his associates to protect his own position. Dr. MOSELY stated in reply that Stalin has made use of Malenkov for a long time now and that the problem of eliminating old Bolsheviks underlying the purges of the 1930's did not exist now. He added that even if the Malenkov succession is called off by Stalin or otherwise doesn't come off, the repercussions would be confined to the small group at the top and that any change would be rapid and efficient. Dr. SONTAG cited Kennan's view that an orderly transition would require delivery of the secret police intact. Dr. MOSELY thought that Malenkov's man was already in control of the secret police. He added, as an afterthought, that one possible explanation of the denunciation of the doctors was to lay Zhdanov's ghost to stifle possible rumors that Malenkov had procured Zhdanov's death and to provide a test of loyalty for Zhdanov's mourners.

Dr. LANGER commented that he really didn't know but that the Soviets were as aware of the problems of succession as we and that it was quite reasonable that Malenkov would be given more responsibility as Stalin got older. In any event, he felt that it would be rash to expect a serious weakening of Soviet power, pointing out that even after the purges of the 1930's the USSR demonstrated far more military power than Hitler had expected.

Dr. SONTAG stated in summary that the only generalization which could be made was that opinion is divided but that Stalin is growing older and a possibility for a struggle for power exists. Dr. MILLIKAN pointed out that the subject was one of little evidence and much judgment and suggested that it was a case in which alternative hypotheses might well be presented.

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In reply to the suggestion that the recent commotion in Moscow might be designed to distract outside attention and might in fact be a screen for internal changes within the Bloc--Russification or agricultural reorganization--Dr. MOSELY stated that what might be called a Soviet-centered group, identified with Malenkov and convinced of a need for internal strengthening of the USSR and the Satellites, had been in the ascendancy since the 1946-1948 period. He felt that this group would wish to finish up the strengthening of the agricultural system within the next five years and would not wish to undertake a long war until the agricultural situation was in better shape. With regard to internal difficulties attendant on planned changes, however, he felt that the worst was already over.

Following Dr. MOSELY's comment that the Western reaction on Korea was a surprise to the Soviets and tended to jar them out of their Soviet-centered philosophy during most of the first year of the fighting, General HUEBNER pointed out that Korea may have been a shock to the Soviets but was proving to be a great asset in that it provided a testing ground for them, forced the diversion of US air defense forces from the northern frontier sector, kept our allies nervous, and sapped our reserves of materiel and ammunition. Dr. MILLIKAN felt, however, that this argument could be overstated and that any net advantage which might accrue to the Soviets would not be overwhelming. He recognized that the psychological impact on the US was heavy but believed that the industrial cost to the US was more than offset by the stimulus to industrial expansion which the Korean war had provided. As for our shortages, he felt that reserves will be built up again, making the net drain a small one, but that in the Soviet case the drain of materiel relative to total output might be substantial. General HUEBNER commented that in any event we can't now lead from strength.

All of the consultants expressed agreement with the statement that Communist China was more of an ally than a Satellite. Dr. LANGER pointed out that the Chinese rather than the USSR might have made the decision for intervention in Korea and warned against assuming that Communist Far East policy was necessarily Soviet-inspired. There was some discussion, led by Mr. ARMSTRONG, of whether the Indians might not be right about Chinese independence of the USSR. Dr. LANGER supported Dr. SONTAG's view that the Indians were probably being wishful in their presentation of Korean peace proposals. Dr. MILLIKAN noted that in any event the Chinese would not be industrially independent of the USSR for a long time.

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With respect to Soviet control over the European Satellites, Dr. MILLIKAN wondered about the statement that groups loyal to the USSR would grow in size. Ambassador GREW disagreed with the statement that the isolation of the Soviet and Satellite populations would be complete by 1957, pointing out that Radio Free Europe, though experiencing increasing trouble with jamming, was doing more to get around it. Dr. MOSELY indicated that there were substantial opportunities for developing resistance in the Satellites but did not make clear how significant that resistance might be. General HUEBNER, citing the fate of those who rose prematurely against the Germans in Prague and Warsaw, emphasized that it would be wasteful and suicidal to do anything which would stir up open resistance before Western ground forces were prepared to move in to its support. Ambassador GREW strongly agreed.

Dr. SONTAG then questioned the consultants about the over-all validity and impact of the economic section of the estimate, asking whether we knew enough to make firm predictions, whether the economists' forecasts of a steady growth in Soviet strength were valid in view of the problems of managing so large an empire, and whether the estimate's unqualified statements were meaningful and convincing to the lay reader. In general, the consultants failed to respond to this invitation, although a number of specific questions were raised. Dr. MILLIKAN said he agreed with the general lines of the economic section, though he felt that the confidence of the economists in certain data on the Soviet Union itself had spilled over into their assessments of the Satellite economies, where data is much less reliable, and that there were probably other places where there was a different margin of error for different conclusions. Mr. FAHS pointed out that the varying use of the US and of the entire NATO bloc as a basis of statistical comparison was confusing and noted that the estimate's initial prediction of a steady percentage rise in Gross National Product did not jibe with a later implication that this percentage would fall off as the Soviet bloc moved into the mature development stage in which the West finds itself. (Dr. MILLIKAN stated that the economists would tend to assume such a levelling off but that specific instances don't emerge from the data.) Dr. STRAYER wondered whether the immorality of the system wouldn't eventually have an effect in terms of graft, etc. After some comments on the emphasis on results in the Soviet system, Dr. MILLIKAN cautioned that rate of increase in GNP was not an indication of efficiency--that forced savings and an investment program directed toward obtaining maximum yields would produce a high rate of growth despite operating inefficiency.

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A number of additional points on the economic section arose during the afternoon session. The principal ones arose over the discussion in paragraph 20 of factors which might have serious adverse effects on Bloc economic growth. A general question was raised as to whether these factors had been taken into consideration in the growth rates previously given. Dr. MILLIKAN challenged the statement that the entire economic program might be undermined by an agricultural shortfall. There was general agreement with Dr. SONTAG's criticism of the statement in paragraph 26 that Soviet quantitative military superiority would be steadily reduced and even reversed. Questions were raised about various dates used as a basis of comparison with present or prospective levels of economic activity and about other points of presentation. Dr. STRAYER asked whether the reference to transportation weaknesses in paragraph 33 didn't imply a check on economic expansion, and the Staff is to check. Dr. MOSELY pointed out, however, that the Five Year Plan calls for substantial investment in transportation, echoing the reported views of the economist contributors that if more transportation facilities were needed the Soviets would build them.

There was some inconclusive discussion on Soviet ability to produce top-flight scientists. Dr. MOSELY suggested that the compulsions of living in a police state might not have much effect on the output of the physical sciences after all; he noted that many men appeared to go into the sciences as a kind of asylum and that the institute system, with a politico as deputy director to handle relations with the powers that be, tended to shield the individual scientist from distraction and harassment. He added that at least one institute solved the problem of showing the necessary results in its experimentation by drawing up its annual production plan on the basis of successfully completed but unpublished work in its files and then going ahead on new but unlisted experiments. It was agreed that a survey of the Soviet scientists now working in various fields might be useful.

There was general dissatisfaction with the political warfare section, some consultants expressing the view that it was scattered and hard to follow, some stating that Western vulnerabilities should be omitted, and others recommending a new approach or the approach of NIE-64.

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