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# The Year after the Three General Secretaries: Change Without Change.

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The change of personnel in the USSR is as little a coincidence as that which occurred in ancient Rome in the year of the four emperors. In a society in process of disintegration it is inevitable that its instability reach peaks where the existing political process, among the elite, cannot cope. It is not just that three people have died that is important. It is no accident that they died. When political leaders are so old they are bound to die, but it is significant that the leaders have been so old. It is furthermore of note that the policy has swung back under Gorbachev to that of Andropov. The alteration of mood is almost violent within the USSR.

The speeches of Gorbachev have been deliberately designed to raise hope and at the same time threaten the apparatus with the need for change. Since the death of Stalin, factions have become de-facto institutionalised and it has become impossible for the dominant faction to prevent its opposition maintaining its presence in important bodies of the society and state. The weakness of the elite has expressed itself in its inability to change the general secretary except when he dies, for fear of causing greater instability. That was the lesson of Khrushchev who ousted one faction after another only to be ousted himself. That created discontent, unrest and above all dissatisfaction among the elite themselves who had to constantly change to cope with new personnel at the top and to deal with ever new organisational measures. The cost of the apparent stability under Brezhnev was ossification and a worsening economic and social crisis. Brezhnev was never expected to last and for good reason. He was a weak leader with little to say or do but at least he could not repress the factions existing in the USSR.

Paradoxically, the fact that he was weak was why Brezhnev survived. It meant that there was every reason to support a leader who basically allowed the individual factions and institutions to go their own way. It led the Sovietologists and state-capitalist theorists to conclude that the position of anyone in the elite was stable — a view that has now to be radically revised. Gorbachev had, within a few months, reportedly dismissed fifty persons from the central committee apparatus, promoted more members of the Andropov-Gorbachev faction to the politburo. He put in men of the same faction into important jobs (as with Chebrikov to the KGB), shifted his proposer as General-Secretary to the Presidency, removed Romanov and Grishin from the Politburo and promoted Shevardnadze to foreign minister. Half of the 80 ministers, including the Prime Minister, have been replaced,

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while 46 out of 157 regional party secretaries have lost their jobs. Above all Yeltsin has replaced Grishin in Moscow. Yeltsin, at the 27th Party Congress made a bold speech both accusing his predecessor of accepting the stagnation of Moscow and pointing to possible instability if matters were not quickly remedied. He hinted at the need to withdraw party privilege, a matter earlier referred to in a *Pravda* letter (13.2.86). The Central Committee has been radically reformed in its personnel, while the secretariat of that body and the politburo are now largely in a new mould.

Clearly the swings of fortune are now violent, once again. At the same time, it would be hard not to conclude that there has been a KGB coup, given the number of persons in the politburo who appear to have been associated with that organisation. Aliev, Shevarnadze and the head of the KGB itself (Chebrikov) already are one quarter of that august body. Indeed Chebrikov is reputed to be third in the Politburo hierarchy. The praetorian guard is now in power it would appear. That is not surprising since there are only three sources of political power, the army, the party apparatus, and the secret police.

Nothing illustrates better the continued existence of factions in the USSR even after the purges of so many bureaucrats than the article in praise of A.A.Zhdanov on the back page of *Pravda* of 24th February 1986. Gorbachev has permitted openly critical discussion in the writers union and yet Zhdanov, Gauleiter of culture of the worst kind, is lauded in the very newspaper that supported Gorbachev's candidature. The article is spinechilling. It draws attention to Zhdanov's ascendancy after Kirov, not mentioning that Kirov was killed by Stalin, according to Khrushchev, and so leaves the reader to conclude that Zhdanov played an important positive role in support of Stalin in his conduct of the purges. The word used to refer to the killing of Kirov conjures up images of the forces of evil employed at the time, such as the Bukharinite-Trotsky gang of assassins, spies and white ants. His role in the post-war purges and cultural censorship is supported without being spelled out. Who could want to support such a monster? The answer appeared with the speech of the KGB head, Chebrikov, who pointed to the successful capture of imperialist spies in a number of ministries, whatever that might mean. He railed against ideological subversion calling on the state to ensure no deviation, "no wavering" etc. in terms guaranteed to make everyone shiver. Spies and waverers would get their just deserts.

How can one say that the secret police are in power, when Yeltsin and Gorbachev and others make very different speeches? The KGB chief was fulsome in his praise for Gorbachev, while Gorbachev has not been backward in demanding increased discipline, a favourite policy of the secret police. Their more usual word is 'vigilance', it is true, a word much employed by Chebrikov, but no-one could expect the secret police to be anything other than hard disciplinarians. At the same time, they are realists and know that they cannot even perform their own function in a declining economy with rising discontent. They need reasonable economic and social conditions

to be successful and they are absent. Logically, they have turned to a solution which is not pure force and so to leaders who know how to combine force with economic and social change. The KGB does not know the solution but they do know the urgency of the problems. In the second place, it should be noted that the KGB is not spared the general factionalism within the society.

### **The Secret Police as the Praetorian Guard.**

It is indeed of some importance that the secret police are playing such a new role. Under Stalin they ruled but always commanded by Stalin. The party was entirely secondary, if not tertiary, and it is always a cause of surprise to note the tremendous role given to a body which seldom met in congress or in committee, by the Western commentators and Soviet officials alike.<sup>1</sup> The NKVD was necessarily subject to another power since they were run by degenerates and idiots, at a time of the existence of massive quantities of surplus labour. The direction of that labour required an apparatus of force, necessarily of a hierarchical kind but it was directed to a civilian purpose. The role of the secret police was one of ensuring that the economy continued functioning through whatever means. Patently this form of an economy has a limited life and it is not possible to revive it today, nor is it being revived.

The secret police have emerged in an entirely new form in the present day.<sup>2</sup> Through their command over the apparatus of information and their ability to cut through the formalities of a bureaucratised society, they have an unrivalled ability to understand and direct Soviet society. In the time of Stalin, they were subject to the elite in formation, personified by Stalin, whereas today the situation is very different.

The KGB personnel, the numerous part-time assistants, and their informants constitute an integral part of the society. In one sense no-one is outside their network, so that the secret police is the society itself. Nonetheless, only certain persons have specific full time security tasks but these same people are integrated into the society in a way that no other secret police has ever been. Outside of the USSR such a secret police would not be effective since it would lack the instruments given it by the nature of the society, instruments such as deportation from towns, dismissal from jobs, eviction from homes, removal of qualifications and the possibility of control over communications of total kind. The importance of this brief recital of the power of the KGB over the society is to explain the meaning of their coming to power. They are not just the instrument today, they have become the governing section of the elite. If the secret police is part of the society, its full time personnel are in large part a section of the elite in the USSR. They constitute its praetorian guard.

The praetorian guard is now in power for the same reasons as in ancient Rome: a declining society has no other way of ensuring the succession, so as to ensure the continuance of the ruling group. Clearly, the analogy must not be pressed too far. The real point is that the faction in power

is there because of the support of the secret police and as a result the politburo today has more people who derive from it than ever before. There are two questions which derive from that feature. Why has it happened and what are its consequences? The reason already given, the decline of the system, requires amplification. The fundamental reason lies in the particular role of the secret police in ensuring discipline and order in the society, for the discipline can logically be transferred to control over labour rather than control over all individuals. In a sense that was always their function in the USSR, but previously that function was applied to all persons in the society, whereas today the attempted harsh discipline is really over labour, as opposed to the elite and intelligentsia. They too are supposed to perform their allotted tasks but the control is different: if they fail, they are to be dismissed. Thus from the point of view of the intelligentsia the security organs are moving in the right direction, away from themselves and against labour.<sup>3</sup>

It is only to be expected that the intelligentsia would be euphoric about Gorbachev, the secret police general secretary, for he has promised the harshest discipline, while giving them higher salaries (doctors and scientific workers in 1985 and teachers in 1987). The only way change of the liberal kind can take place in the USSR is through the illiberal form of repression over labour maintaining the secret police. That is what Gorbachev represents: the introduction of the market through repression. In fact there is no other way of introducing the market in the USSR. The common opinion in Moscow that "this dilatory nonsense could no longer continue" is the authentic view of the Soviet elite and intelligentsia, who have revealed themselves as caring only for freedom of expression to express their own grievances. Gorbachev represents then the section of the elite and intelligentsia who want to ensure their own stability and rising standard of living through changing the relations with the workers in production.

In other words, the secret police are the only source of power in the Soviet system which is capable of managing the kind of change that the elite needs.<sup>4</sup> That does not mean that they all want them there, in the seat of power, but the only alternative is the status quo and that is not a real solution even if it is individually better for many. It is quite clear that many if not most members of the full-time apparatus of the party were not in favour of Gorbachev, and there is no doubt that these same members are not going to have as easy a time as they have enjoyed in the past twenty years. Given the urgency of the problems of the USSR the apparatus was in a weak position to resist, or put theoretically, the USSR is in a precipitous decline and all sectors of the elite are prepared to accept a saviour.

It was no coincidence that Gromyko proposed Gorbachev and most particularly announced that Gorbachev was a party man to the core.<sup>5</sup> The 'non-party' Gromyko stressed the party nature of his proposed General-Secretary precisely because those credentials were in doubt. The point was that Gorbachev was certainly a long-standing member of the party but not

of its inner core, and hence ideally suited to reform the ossified apparatus.

In fact, it is the case that the Stalinist party was created by Khrushchev as an instrument of rule, with regular congresses, committee meetings and an invulnerable party apparatus and has therefore only existed for a short period of time. Indeed it has never existed as a party in the usual sense of a political party, as a single party cannot be a political party. A one party system is a no party system, a fact easily demonstrated in the USSR by looking at the internal life of the Soviet party. It does not exist, in any real sense. Under Andropov, *Pravda* editorials pointed out that local parties simply accepted instructions and decisions from above, a fact obvious to even the most simple minded. In other words, there is no real discussion, election from below, criticism from below or indeed any real function for the local party, other than the reception of documents, which no-one reads, or, if they have to be listened to, no-one heeds. The party congress and central committee act as a forum for the elite, where the great bodies of state, the army, secret police and bureaucratic apparatus in their factionalised form, can display themselves.

The problem, then, with the bureaucratic apparatus is that it is unable to enforce its will without the operation of the instruments of repression, the secret police and the army, and hence it must always be allied with one or both of those institutions. On the other hand, the secret police is quite capable of reforming the party apparatus from top to bottom. In the present context, then, when the system is in evident crisis only the secret police can act to maintain the system.

### **The Poor Man's Andropov**

Gorbachev appears to have two agendas, as it is often expressed in the terminology of diplomacy. One is the stated series of positions: personal responsibility of bureaucrats for the success of their fiefdoms, tough discipline over labour, the brigade system, concessions to the intelligentsia in material terms, and gestures towards democracy for the working class. It is the Andropov policy of facing three ways: discipline and organisational measures responding to the classical forms of control produced by the organisers of the society, stress on economic accountability for the intelligentsia and its section of the elite, and cosmetic references to democracy for the workers.<sup>6</sup> The second or hidden agenda is discussed in the next section.

There is a difference between Gorbachev and Andropov, however, and that amounts to the judgement that Gorbachev is the poor man's Andropov. For whatever reason, Gorbachev's speeches do not have the measured tones of Andropov nor their internal logic and compactness. His magnum opus, the speech at the 27th Party Congress is a masterpiece of incoherence. At the end, with references to the need for planned tasks contradicting others referring to independence of enterprises, increased discipline opposing words on workers' self-management, and with numerous examples of the failure of the soviet economy one is left bewildered. The speech is hard-hitting but it goes nowhere. The question here raised is not so much the content

as the style and pragmatic attitude adopted. The content is discussed below.

Even if the leaders in the USSR have their speechwriters their abilities appear to manifest themselves in their public expression. Why this should be so is another question, but it is obvious that Khrushchev, Brezhnev, Andropov, Chernenko and now Gorbachev have all had distinctive styles. Curiously, this is far more noticeable than in the case of U.S. Presidents who could just as well have presented their speechwriters, who often put forward ideas unknown to their nominal authors.

Gorbachev then does not appear to have the kind of conceptual grasp of his mentor, Andropov, who came from the Suslov faction. Suslov was regarded as something of a theoretician within the apparatus and as an ailing dogmatist by Western analysts. In fact he was no more a theoretician than the late Chernenko, whom Gorbachev professed to have admired as a great contributor to Marxism-Leninism.<sup>7</sup> The sole difference would appear to be that Suslov had some ability to put some of his thoughts in a less unsystematic fashion than is common among the elite, whose pragmatism would put to shame even the most pragmatic Anglo-Saxon.<sup>8</sup> This permitted him to give Marxist-sounding names or justifications for policies pursued by the Soviet elite. His understanding of Marxism was as poor as that of his original master, Joseph Stalin. Andropov was part of his stable, which meant that he belonged to a more intelligent and less narrow-minded section of the elite than the rest of his immediate peers, but knew as little of Marxism as would permit him to understand the difference between the USSR and socialism. Gorbachev belongs to the same stable but he is of another generation who never knew the reason for using Marxist terms or for arguing theoretically.

Gorbachev is a victim of the Soviet system as much as everyone else in that society: the imposition of Marxism-Leninism has destroyed conceptualisation. His aim is pragmatic: to deliver the USSR out of its immediate crisis, and his style is hard-hitting but without any attempt at profundity. It is not just a question of delivering impromptu speeches, which easily reveal the nature of the man, as some would argue in his favour. He is a representative of the new Soviet elite, who are only interested in achieving stability through internal reforms, as opposed to the older elite, who recognised the permanent instability of the system and tried to compensate through using nationalism, divisions between intelligentsia and workers, and a rhetoric which succeeded in convincing everyone that nothing else but their own private solutions was possible. And yet he comes from the very faction which understood best the use of nationalism, national liberation, anti-intellectualism dressed up as sympathy for the worker, and other terms used to confuse the nature of policies which are Machiavellian to the core. It is precisely because he came from that faction that he could gradually dismiss the terminology and the policies. Nonetheless, at least Andropov had the ability of a Machiavellian to produce a policy, however contradictory.

Gorbachev therefore has the strengths of the leader who understands the meaning of the old failed policy, which could only have come from

one who was engaged in its implementation and justification. He has the weaknesses of a leader who does not understand the world in which he lives, and has no strategy therefore. The older leaders knew that they were not socialist but they also knew that the world was one going to socialism in spite of themselves. Today the Soviet leaders are lost.

Gorbachev is the poor man's Andropov in a second sense: the literal sense. Unlike Andropov, he is trying to be popular. He is already a hero for the intelligentsia in so far as he has given them a salary rise. His Leningrad walkabout showed his populist leanings and the speech given at that time and subsequently printed spoke of everyone to be redeployed from the ordinary worker to the secretary of the central committee.<sup>9</sup> It is significant that he was openly able to use language like that, implying that Soviet society is unequal, while trying to suggest that he was in favour of equal hardship for all. Interestingly enough the story is told that his written speech was delayed and censored, but that people waited for six hours in queues for his speech. Clearly he is popular, and indeed it would not be difficult for the secret police to create rumours in his favour. His acceptance speech specifically spoke of democracy needing to be extended, in such terms that there could be no doubt that he was addressing the ordinary population and proposing radical changes in the institutional setup.<sup>10</sup>

Under these conditions, it is not surprising to learn that Gorbachev's official policy makes little sense, even if his speeches show him hitting at real targets. His well known speech of the 11th June 1985 on the economy did indeed show that he knew the most important features of the Soviet political economy. He stressed the nature of the Soviet product: its poor quality, its wastefulness, and the impossibility of completing projects in any predictable period. In this respect he has gone beyond his dead leader, who preferred to single out aspects of the same problems. His official agenda then is to hit hard at those in positions of immediate responsibility and force the workers to work. In fact his policy is one of compelling, as he put it himself, everyone to work harder.<sup>11</sup> The instruments are dismissal for those in the elite and the use of direct force over the workers, combined with the drive to the brigade system.

Gorbachev's speech to the 27th Congress was amazing in its ability not only to be all things to all men but in literally discussing all things great and small. He is for hard work, new laws to clamp down on shirkers, bribe-takers, hooligans and still more laws to raise the quality of production. He is for dealing with bureaucrats who do not perform as required but prefer a quiet life. On the other hand, he is in favour of more enterprise independence, incomes related to performance of the enterprise, presumably profits, flexible prices with contracts made with wholesale organisations, possible bankruptcy, independent sale of goods above plan levels, greater regional economic independence and individual supply of services i.e. private enterprise. Of course, the two sides: repression and the market fit together if run together. In fact, it looks more incoherent than a plan to introduce the market with repression.

The five hour exercise appears more as a brilliant political performance in which every appearance is provided of hard-hitting criticisms with the solution being economic reforms. The problem is that it is only the appearance of change. He has conceded to the intelligentsia still more by the salary rises, which he specifically mentions, stressing in more than one place the crucial role of science in raising productivity. Nowhere in the speech are his pretensions more interesting than when he declared that the relations of production do not automatically follow on improvements in the forces of production. It is clear that poor production levels have a lot to do with the nature of the relations of production themselves. Gorbachev has updated Stalin who justified what existed by saying that forces and relations of production were in automatic correspondence. For Gorbachev this is not true because the managers can lag behind in their ability to control workers. Managers have bad ideas or poor work practices. Thus not only Marx but even Stalin has been placed on his head. All that poor Gorbachev is actually saying is that managers must manage better, but the objective reasons why they do not do so has bypassed him.

### **The Position of the Workers**

On the other hand, there is a definite attempt to concede to workers. The head of the Trade Unions not only complained of the poor work conditions but of the difficulty in obtaining housing, particularly when some comrades received many more square metres than others. These references to the need to do away with privilege and redistribute income clearly express not just the needs of workers but also the view of a faction in the party. A recent article by one Ye.Torkanovskii, in *Voprosy Ekonomiki* (2/1986) argues (to quote the title) for workers participation in management as a form of the realization of ownership. Effectively his discussion piece, because it is in the discussion section, tries hard to put the case for more forms of genuine workers participation in management from direct accountability of managers to greater availability of information.

There is no doubt that all these references to self-management made by Gorbachev as much as others are fundamentally cosmetic but they are not intended to be merely window-dressing. The regime is now factionalised as we have insisted and the institutions representing workers also want to have an easier life. As the system is declining and disintegrating the puppet-like institutions are acquiring a life of their own and have to receive concessions. Furthermore, unlike the rather silly Western economists and Sovietologists, the regime is aware that if it is to implement the economic reforms of which it speaks it must find a way of neutralising the workers against whom the reforms must operate. Hence, a bow and scrape in the direction of the workers is obligatory. It does look, however, as if it is more than that. The force of the workers is now such that real concessions might have to be made. This is discussed further below.

The brigade system appears to be an alternative form of control. It seems to be a cross between the "Volvo" type experiments which break up a



factory into small work groups with their own decision making process and responsibility and a Thatcherite attempt to increase the rotation of jobs, decrease overmanning, intensify the work process, relate work done to reward and increase the overall degree of control over the work process.<sup>12</sup> Much has already been written on the brigade system, but the essential point is that although officially 70% of the workforce is now on the system, i.e. they belong to small work units, a very small proportion are actually on the so-called economically accountable brigades. Indeed how could it be otherwise, since it is not believable that modern factories can be broken up into separate economic units (the *Economist* journal notwithstanding). There is no way that Gorbachev will succeed using brigades unless he wants to break up the enormous concentrations of industrial plant in the USSR. There is no question that he might want to go that way, as witness the articles to that effect under Andropov. It is not only utopian, it is also absurd, under Soviet conditions, for the integration of modern production can only mean that the normal failure to receive supplies, lack of spare parts, regular breakdowns of machinery will render nugatory any attempt to reward any part of the factory separately. The system has to be reformed as a whole or not at all. That is the lesson.

True, in those parts of the system where the labour process is most independent as agriculture, construction and repair-maintenance the brigade system might operate as a mode of control, but here the attitude of workers is crucial and the evidence is that they ignore the instructions of their brigade leaders or even physically assault them. There is little reason to expect that the lack of goods will be overcome specially for such brigade members and in the absence of goods rewards become meaningless. Finally, there is no difference in the lack of supplies for the different sectors of production, however independent they might be. Thus the brigade system can only have a limited effect in certain sectors. It is all the more interesting that Tatiana Zaslavskaya should have written what amounted to the editorial on the front page of *Sovietskaya Rossiya* arguing that the solution to the problems which she outlines lies in the brigade system. The article, of the 7th January 1986, argues effectively that there is no incentive system operative and the workers are lazy, whether as a consequence or for genetic reasons is not clear. Her earlier article, justly well known, had effectively placed the blame on the lazy workers but with more finesse. The two articles are discussed further below.

If there is no economic programme there is also no political programme. In the speech of March 11th, his acceptance speech, Gorbachev explicitly spoke of the need to expand democratic forms. The reference went beyond most leaders in having a clear undertone that democracy did not exist and attempts would be made to begin a democratic process. Andropov, as argued earlier, also faced this way, but apart from imprecations nothing really happened. The only real meaning to be attached to the reference is that Gorbachev knows that he cannot only appeal to the organisational side of the elite or the demand for efficiency and so higher standard of living

for the intelligentsia. He has to make a gesture to the ordinary worker, who has no real forum, whether as a member of a union or a workers' collective. Clearly, the intelligentsia see the reference as giving them more individual leeway as well, but there have been no concrete steps whatsoever. His official programme is thus only the appearance of a programme and is certainly doomed to failure.

Much has been made of the February 13th compilation of letters to *Pravda*, which, inter alia, called for the elimination of the special shops and other privileges held by the great and good. Indeed, there are even reports that some of these special elite shops have been closed down. Yet, Aliiev, when giving his Press Conference, was seen on Western T.V. denying the existence of privilege and arguing in classical bourgeois economic style for better pay because he works 24 hours a day as opposed to workers who only work 7 hours per day. The BBC had a field day showing the long line of Zils, the Soviet luxury car, emerging from the Kremlin at the same time as Aliiev was holding forth. Apart from the clear demonstration of political differences, it is difficult to believe that the ruling group will be the first in history to abolish its own privileges.

### **The Hidden Programme: The Market**

The hidden agenda, so-called, is almost certainly to introduce the market. Socially, this entails a shift towards the intelligentsia which he has already made, as noted above in terms of the material concessions to the scientific workers.<sup>13</sup> He has already gone further as witnessed by the reappearance of Yevtushenko at the Writers Congress, and the publication of his speech among others in *Literaturnaya Gazeta* on 26th December 1985, where he requested that writers tell the truth and by implication the censorship be relaxed. The concessions to the intelligentsia in terms of the extension of some freedom of speech etc. have thus been made, at least at the Khrushchev level.

The effect of the market must be one of raising the salaries of the executive-engineering personnel, and a shrewd political operator would make the shift with maximum effect in order to get the intelligentsia on his side. This involves dropping the old policy of playing off workers against the intelligentsia in favour of the new policy of developing an alliance of skilled, upwardly mobile labour aristocrats with the intelligentsia and elite. In a non-agricultural labour force of some 105 million persons, there are some 17 million with higher education and the absorption of the ten percent of the workers in the above category would bring those in this alliance to some thirty million or around thirty per cent of the work force. That is a reasonable political strategy for the Soviet elite and that is the only real meaning to be attached to the Zaslavskaya article, from Novosibirsk,<sup>14</sup> as argued in *Critique* 16.

The two Zaslavskaya articles provide an interesting reference point in that she and her patron, Aganbegyan, were compelled at the very least to withdraw for a time, first under Andropov and then even more so under his successor. Today the Novosibirsk academics appear to be no longer

supplicants with ideas but the actual official advisers. Obviously the reappearance of their articles indicates their ascendancy but the fact that so much prominence is now given to them shows their place much more. At the same time they have compromised by putting their ideas in terms of the official policy on discipline. Yet, the fact is that their ideas are basically no different as they want to make the workers work harder by using the market. This has been driven home by Abel Aganbegyan's speech at the 27th Party Congress, where he put forward the most consistent and radical ideas on the introduction of what amounts to a market. It is not called a market as that is too dangerous, but when he calls for the abolition of subsidies on food he is in fact announcing that workers cannot be controlled without re-introducing authentic money. No worker will work harder unless his wage will buy goods. If the cheap staples are abolished and workers are paid more in order to at least retain a similar standard of living, money has some meaning.

It is difficult to believe that Gorbachev is not conscious of such a market strategy. At least he has a fighting chance of succeeding, as opposed to the continued drift downwards in the economy, of which he has made such play. That would imply the introduction of a real market, with competition, real money, unemployment, price rises to bring the quantity of money into a real relation with goods, inequality to encourage harder work and establish control of the manager, who may do little work but whose function is to supervise and so squeeze the worker. In this list the right to hire and fire and so unemployment is the crucial change required. The Soviet economists have long bitten the bullet, but the discussions have now gone beyond vague references. They now speak of the need to go step by step with first dismissals inside the enterprise then within a group of enterprises and so ultimately to a creation of a reserve army of labour.<sup>15</sup> More than a hint is provided in the above cited article on 7th January 1986, and indeed other articles have also been quite explicit.

This is his real agenda, only glimpsed at when he met the enterprise managers on 8th April 1985.<sup>16</sup> His actual statements are best described as Janus like or Delphic. He spoke there of the need to extend economic accountability as well as improve central planning. As abstract statements they may seem compatible but in the Soviet context it implies that Gorbachev is in favour of both more centralisation and less centralisation. Apologists can justify anything. What it does mean, however, is that Gorbachev has to face three ways superficially until he can get to his hidden agenda. His 27th Congress speech does not openly speak of a market and, as already indicated, is so hedged about with qualifications that all factions can draw comfort. Direct sales of goods between enterprises, but only if above plan, contracts with trading bodies, more flexible prices, greater enterprise autonomy are all little more than phrases unless the system is introduced as a whole. One partial reform after another has failed. Indeed one might say that partial reforms have inundated the USSR already. This much Gorbachev knows and has said, so that his call for both more and less centralisation, reiterated

at the Congress, in fact means something else than appears at first sight. He wants the market, but has to retain maximum control at the centre to avoid the system disintegrating before the alternative is in place.

Can he get to his real policy, assuming that he actually does want such a market type policy, along with the intelligentsia and much of the elite? The almost certain reply is that he has no hope. It is too late. Two forces stand against him. The first is the enormous growth in size and class character of the workforce in the last two decades. The days of the intelligentsia are numbered; it is probably no longer possible for the intelligentsia to take a share of power, even if the coalition referred to would take shape. It is the only strategy left for the elite and even if they are unlikely to succeed, it is better than nothing especially when it is realised that they are unlikely to realise the absurdity of going to a market during a period of total world market failure. This is the second reason why they are likely to fail: the necessary subsidy from the Western capitalist class cannot come, given its phenomenal banking and industrial crisis.

It remains necessary to stress that even if the attempt is doomed that does not mean that it may not be attempted. The Soviet regime is in a real crisis, only mitigated by the more general world crisis. It might be worthwhile outlining the nature of the present situation, as indeed largely discussed within the USSR today.

### **The Nature of the Present Economic Crisis in the USSR**

The USSR may be regarded as having an overall tendency to explosive growth, as opposed to depressions, which it does not have. The similarity is that both involve pressure on the standard of living, the presence of large quantities of goods which are wasted, and above all, and this is what makes it a crisis, a need to re-establish a social relationship of control. In the Soviet context all internal and external observers agree on the steadily declining growth rates, the declining expectation of life, growth in alcoholism, and relatively static or declining standard of living for many, particularly in relation to food. However, unlike a Western depression this involves greater production than ever: Gorbachev pointed out, in his 11th June speech, that the USSR produces more steel than anyone else but it is of poor quality and goes to waste, that the USSR continues to build ever more factories rather than re-equipping old, that the factories take forever to build, in an unpredictable manner.<sup>17</sup> There are exactly similar articles on cement: the USSR produces more cement than anyone else but it both has a shortage of cement and does not supply the housing needs of the population.<sup>18</sup> Brezhnev complained in 1976 about the 700 million shoes produced and yet they had a shortage of shoes. Chernenko eight years later got around to having a decree on shoes.<sup>19</sup> That the Politburo itself had to have a special discussion on shoes is itself instructive.

Too much produced, too little output for the consumer is the endemic problem of the USSR, although the USSR could not always boast the first place in the world in machine tools, steel, cement etc. What is it that has

changed in the USSR? Three things have altered in the past two decades:

1. As previously argued, in my articles in earlier Critiques, the absolute surplus has come to an end because the workforce can no longer be replenished from the farms, the home or elsewhere. This means that it is not possible to continue building new factories as there is not the labour to do it. That leads then to a decline in the introduction of new technique as it is through new plants that new technology has historically been introduced. This then has the knock on effect of the USSR producing with out of date equipment which is more labour intensive, of lower quality, tending to produce goods of less reliability and consequently producing pressure on the repair and spare parts sector. The repair and spare parts sector has grown to giant proportions, given the nature of the USSR, but it has had even greater burdens placed on it. The construction sector in turn has greater pressure placed on it, to remedy the situation, but given the shortages it becomes more and more difficult to complete projects. By 1980, Soviet economists congratulated themselves at having got to a point where the USSR no longer was spending all its resources in the construction sector on completing projects already begun.

The question of the decline in growth rates is reasonably openly discussed in the economic literature today. Thus G.Sorokin, *Voprosy Ekonomiki* 2/1986 p.20-1, speaks of a decline in return to funds invested of some 75%, growth of amount of goods remaining in circulation of 15%, and 15% growth of incomplete projects, over the Brezhnev period. Over the same period, approximately 1965-84 the coefficient of utilisation of machinery declined by 13%, while the rate of return to that machinery declined by 34%. To add to the causes of declining returns he points to low quality and the use of old technique. Gorbachev at the Congress gave a precise example of a factory which upon completion proceeded to produce outdated machinery. Little of this is new. Ever more production at greater cost of technically outdated goods, which are of low quality but which everyone has to use because there is no alternative, is of the essence of the Soviet economy. What is different is the spiralling decline.

What is also different is the extensive discussion of the details of the economic failure. Thus when we are told that only 18 out of 45 kinds of goods in the RSFSR light industry had their plans fulfilled in 1985 (*Ekonomicheskaya Gazeta*, February 1986, no.9) and other examples are given in the same issue of plans nominally fulfilled, which involved a considerable decline in production, the very heart of the matter is being touched. The so-called planning mechanism does not work. Some plans are considerably overfulfilled and others the reverse but nominally the total results show ever improving production. Since this same problem has been true ever since the first Stalin plan, although never discussed so frankly, the inevitable conclusion is that the system does not work. Such is the intended implication wrapped up in the ideology of changes needed because of a shift into intensive production.

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These are issues already well discussed in *Critique*. What is now different is that Gorbachev has put this issue at the centre of his programme as evidenced both by his speech of 11th June and by the preliminary outline of the new (12th) Five Year Plan, where the new investment is now to go only half instead of three quarters into new plants. We return to this point later in this section. The Congress speeches just put the seal of approval on the already agreed view.

There is another reason involved with the failure to complete projects. Under Khrushchev a moratorium was declared on the construction of new buildings but this was not repeated after his fall because of the consequences: unemployment on a mass scale. It could not be repeated also because there were ever fewer new projects. In other words, the slow down of the system created its own momentum. It was socially more and more risky to take decisive measures, and it was more difficult to take the risk because there was less and less leeway. Behind this phenomenal problem lay two fundamental changes in Soviet society. These were the increased socialisation of labour and the consequent growth in power of the Soviet work force. Both are also closely related to the decline in the supply of labour outside of the industrial economy.

2. The increasingly urbanised economy, based on manufacturing production and not on advertising, finance, corner shops, retailing and other forms of absorption of labour in the West, is far more integrated than it has ever been. The paradox is that it is an economy with giant plants, trusts, "central planning" which cannot supply or repair itself with any regularity, so that its potential virtue is in fact its Achilles Heel. Today failure to deliver on time, construct to specification, repair as requested has much greater ramifications than ever before. The costs are multiples of what they were twenty and more years earlier. The effect is to magnify the failure of the Soviet economy.

The integration of the economy is ultimately reducible to the integration of the division of labour within the USSR. This, in turn, is composed of two elements: the greater specificity of labour in two senses — attachment to locality (factory, home, town) and the particular development of skills, and a tightly organised production process. The latter cannot be altered without reducing productivity, an evident result in the USSR, while the former, Braverman notwithstanding, cannot be overcome without massive costs. Labour which has been trained can be re-trained quickly in principle, if there is a reasonable incentive to re-train. Where there is little incentive it will not happen without considerable disruption. We have argued many times that the basis of the political economy of the USSR rests on the absence of abstract labour in that country, and in this context it implies the lack of fluidity of labour inherent in a system with a labour shortage, and a highly specific relation to the production unit.

3. Finally, as a direct consequence of the previous two points: the strength of the workforce can only grow, as it has grown, to the point where the

elite are afraid of it and make concessions. That time is now: the elite know that they cannot introduce the market without a revolt, that they cannot introduce a reserve army of labour and that they have to accept continual growth in nominal wages. The effect is to make the elite cautious of any change, for anything which would reduce the degree of atomisation in the system would make the situation very unstable.

These three aspects indicate that the division of labour in the USSR has reached a point where no economic reforms will work without concessions to the direct producers. An illustration of the problem is given by Gorbachev's expressed desire to end the emphasis on the construction of new plants. Almost ten years earlier, at the 25th party congress this point was made and put on the agenda. The Soviet economist Sonin, who was quoted in an earlier *Critique* pointing out that labour discipline was the ultimate cause of all problems, argued in 1977 that the only way labour discipline could be tightened was to increase the level of mechanisation in existing plant. He then insists that the construction of new plants has to be radically reduced in number.<sup>20</sup> The only difference is that the same point is being made more forcefully and more repetitively. Gorbachev is only repeating Andropov and the articles which appeared in his short period in office.<sup>21</sup>

The immediate solutions devised as indicated above have been to increase investment in existing plant as opposed to new plant, and to increase the proportion of investment in the producer goods industries, as shown in the 12th Five Year Plan. This cautious solution is hardly in accordance with the constant stress on the need for more and better quality consumer goods. But then, without radical change, Gorbachev has no solution other than the appearance of change.

### **The Social Solutions for the Crisis**

The removal of all the old guard from office will not change Gorbachev's problem one iota. To introduce new technique Gorbachev will have to tackle the social relationship within the plant itself, and this cannot be done by fiat. The interesting fact is that the Soviet elite is more aware of its own limitations than either the Soviet intelligentsia or the West.

There has been an important shift in opinion in the USSR among the intelligentsia and not just towards Gorbachev-Andropov. The effect of the world depression and the growth of an alternative left has made its mark, not in producing a Marxist left of a classical kind, but in shifting sections towards Eurocommunism. Its failure and the evident failure of social democracy have not yet penetrated a country always a decade behind events. The market remains a goal for these people, a market combined with worker's control. In a sense this is a return to the social democracy of Khrushchev, who was speaking of socialist profit as opposed to capitalist profit. But in the new context of mass unemployment in the West and a permanent and open crisis in the USSR the market demand will not last among those not prepared to compromise with the Soviet reforming elite.

At the beginning of the seventies the Institute of Sociology was purged of its radical elements, but the sociologists were little more than classical liberals. In the last few years researchers in the elite Institute of World Economy and International Affairs have suffered. This time their crimes were tied to an attempt to understand the world in more socialist terms. Anyone who reads some of the work produced by the different institutes concerned with the non-Soviet world cannot but be struck by the difference in quality between it and the journals on the USSR. The reasons are obvious.

Nonetheless, this does not herald the new left opposition in the USSR; far from it. It is only a symptom of change in consciousness: from being pro-capitalist to cynicism and hence a few steps forward. Nonetheless this same reforming group is no less immune from the prevalent view that reform is possible in the system, and hence remain inferior in perception of reality to the elite itself, who are much more pessimistic. Given the atomisation of society this is not at all surprising particularly since that atomisation is so total that the intelligentsia is not even aware of its effects.

Given the monopoly of understanding the system that Gorbachev possesses, he, above all, is aware of the limitations on the ruling elite. He knows that the tasks he pinpointed have been mentioned often over the past ten to twenty years. The question of quality of production was after all a pre-occupation of better men than he, as far back as the twenties. The only reason why he is highlighting them is that they have a populist appeal, as any ordinary Soviet person is aware of the crucial question of 1: poor quality of mass produced goods, 2: the low level of technique, and 3: massive waste of all resources. Andropov found that he had no solution but Gorbachev is a few years on in the Soviet crisis. He has to provide hope to a population with a perennial food shortage, with consumer goods looking more and more dated. This he has done by talking cleanly about the problems instead of lying about them. The change he has thus provided is that of a discussion about change. That itself will work for a period of time.

If we examine the solutions adopted over the past thirty years we can see that they fall into a pattern of a kind. Khrushchev attempted to deal with economic problems by constant re-organisation of institutions. It worked in the sense that personnel were re-deployed and so previous forms of conservative preventive action were removed. In other words the ministerial autarchy was broken so giving rein to alternative methods of raising production at first based on regions. Soon regional autarchy developed and that had to be broken. The elite was not impressed by this re-organisation of their lives and preferred to try market concessions, which flopped when they realised that they would have problems with the workers on their hands. Thereafter they tried to use market type reforms without any market. Such were the various employment experiments around Shchekino and the use of other plan indicators supposedly based on money returns of some kind or other. Every reform had a limited effect which tailed off in a short time. The real question is whether this kind of regular change, really amounting



to a shake-up of established relations between people or institutions, can still be pursued. Is there a kind of law of a falling rate of output per change? Logically we would expect this to be the case.

The success of such reforms depends on the same three aspects earlier analysed. 1 The presence of extra labour to utilise. This has dried up as pointed out. 2 Worse, as argued above, the fluidity of labour is much diminished. Hence reforms have more and more to concentrate on the means whereby they can either free labour or replace labour. 3 The increasing strength of the workforce. The labour shortage and specificity of labour can only become more acute over time, as the economy demands more spare parts and more completed construction projects. Gorbachev, and his academic predecessor, Sonin, have insisted on the need to increase the output of technologically sophisticated machine tools and the products of those tools, in order to create the possibility of replacement of labour. The problem with this policy is that it initially requires more skilled labour and semi-skilled labour not less. In order to free labour the Soviet economy has to employ more labour. Since it is self-evident that the very act of investment in machine tools will lead back to the same problems of poor quality the possibility of solving the manpower shortage does not exist.

The only result of the Gorbachev policy will be a worse shortage of labour, unrelieved by any technological improvement. To do the latter he would have to ensure that the equipment would have to be installed, bad as the machinery will be. There is no way of ensuring the installation of the new machinery in a vast economy of the Soviet kind. In a tiny economy like Hungary it might be done by direct fiat, as it could be done to a limited degree in the USSR in earlier years, but not today.

This is not to say that the machinery will not be taken up. It will be acquired by plants and either left in the sheds or used alongside existing equipment as is the normal mode of operation in the USSR. This process has always occurred in the USSR (as Gorbachev himself notes in his 27th Congress Speech) but the big difference is that the reforms do not have the previous reserves of labour or redistribution of labour. Of course there will be some level of labour redistribution possible, if only based on youth entering work. Even here, however, the room for change is limited as young people are no longer as pliable as formerly. Hence there are now constant complaints not just that they need a reserve army of labour but also that youth are overeducated. The statement is abstract nonsense, given the very low proportion of the age group going through higher education, or the fact that the USSR has only 10 years compulsory education, but it is understandable given the problems of finding non-specific labour to direct into the enterprises and technology judged crucial. Thus the effects of organisational reforms are bound to become more limited over time.

The simple effect of removing the old corrupt bureaucrats and replacing them with new dynamic corrupt bureaucrats undoubtedly stirs people up and compels management to find ways of forcing workers to work better,

but this again can only last a short period of time. Workers and managers become increasingly tired of exhortations and threats. Gorbachev cannot imprison the large numbers incarcerated under Stalin if he wants to increase production so that he is compelled to simply rant along about “making life harsh for those who do not work”.<sup>22</sup>

Thus the effect of replacing bureaucrats and campaigning for harder work together with replacement of labour will have its temporary effect, an effect more temporary than before. What will then happen?

The answer is nothing. Gorbachev in his alliance with the intelligentsia will try to introduce the market once the preliminary effect of their non-measures wears off but unless they are prepared to attack the workers they can do nothing. There still remains the old possibility of a deal with the West and this is undoubtedly coming, but it is unlikely that the West can deliver the goods that the USSR needs, or that the West will care to commit itself to such a deal.

### **Foreign Policy**

It is increasingly clear that the new foreign policy is a more relaxed one. The Kremlin has read the signs correctly and decided that time is on their side. Their analysis is not incorrect, in that the dollar must fall, the USA is in increasing slump, and the distance between the Europeans and the USA can only increase as the world economy grinds to its inevitable financial denouement. The latter may be easily dealt with through a few more nationalisations, so that a repeat of 1929 may not be on the cards, but the USSR is not wrong, if rather crude, in expecting things to swing against the USA financially as well as industrially. As a result, the foreign policy is one of waiting for events to assist them. In fact, it is the only possible policy left them. Reagan's policy has failed miserably in trying to force them to raise arms spending to the point where the population would revolt for two reasons. Firstly, they did not have to raise arms spending to the same degree in order to respond. They could and did simply move their missiles closer to Western Europe. In any event, the problem for the USSR is the production of consumer goods not the production of weapons. The latter have the advantage that they absorb resources in the machinery sector, which is oversupplied anyway with steel, machine tools etc. It is true that the USSR could use an almost infinite quantity, but the real point is that the economy of the USSR absorbs so much of its resources in this sector that the extra cost of the weapons industry is not at all clear. A squeeze on consumer goods, in other words, would not be very clear cut.

Secondly, the Reagan policy backfired politically, for the elite, for the first time in the post-war period, were able to rally the population against the USA on the basis of a war scare. Gorbachev actually has an easier time than most Soviet leaders precisely because the West appears as the aggressor. The role of the USSR in invading Afghanistan and holding down Poland is still only a minor irritant. The effect of the nationalism of Solidarity, not to speak of its clerical nationalism, allowed the elite to drive a wedge

between the Soviet workers and the Polish workers, while the numbers killed in Afghanistan are sufficiently few to create only limited discontent. The natural discontent of the population with the system has actually been contained rather than boiling over with the decline in standard of living precisely because of Reagan. The elite themselves who might otherwise have tried to work out some sort of *modus vivendi* have found themselves reduced to the level of supplicants and consequently turned in on themselves.

There are clear signs that the U.S. policy is changing and it is equally clear that the Soviet elite would dearly like to come to some sort of deal. In the past few years in response to the American foreign policy they have adopted an aggressive policy in relation to supporting militancy of their dependent parties or allies. This pseudo-militancy, reminiscent of the third period of the Comintern, has involved supporting guerilla movements and strikes against various governments even where the situation was hopeless. Nonetheless, they have achieved their object in demonstrating that they can cause both a withdrawal of certain countries from the world market and weaken bourgeois governments. This is their chief bargaining counter and no one ought to have any illusions that the USSR will not give up support for third world countries and movements and first world communist/socialist unions and parties provided the USA pays the right price.

Provided the USA follows the advice of men like Brzezinski and Bialer who perceive the USSR as in a process of disintegration and so requiring aid to transform itself into a dependent market economy, a deal will be struck again along the same lines as the detente strategy of Kissinger. The trouble is that the West does not have the resources and the USSR is too far gone to achieve an easy adjustment to the market, as argued above. While such an essentially "Chinese solution" is definitely on the cards, it is difficult to see how the working class of the USSR will be bought off. A Marshall Plan for the USSR on a massive scale would work and perhaps provide employment for millions of American workers, but how could the USA afford to run such a large budget deficit in order to finance it. Alternatively, how could the banks supply the cash when they are close, or over the brink of technical bankruptcy, with large sums tied up in the euphemistically called "non-performing assets"?

### **Disintegration of the USSR**

The perception of the State department and CIA, that the USSR is disintegrating, is based on factual evidence. Their conceptual basis is of course very different from that of this article and journal. In fact it is true that factions have become institutionalised and ministries and their subdivisions have increasing power. That ministries would operate on an autarchic basis is well known and has always been a fact of Soviet life, in the same way as enterprises also behaved as if they were atomised units who had to maximise their own individual control over their supplies, labour etc. The difference is that today such atomised behaviour is more counterproductive than ever at the same time as it is more difficult than ever to control from the centre.

In other words, the enterprise cannot easily find what it needs as supplied by the centre, so it is increasingly compelled to find its own way around the rules. Again, this was always the tendency but the tendency is rapidly becoming the rule. There is a movement from "organised chaos" or organisation, rather than planned production, to a decay of that organisation itself. The unit's reaction to "planning" was to find a method of bargaining with its superior bodies, which then imposed a series of instructions in order to get some kind of result. Today, that is increasingly difficult for the superior bodies to do. Hence the administration has had to be increasingly tiered, but each tier, as with the trusts, acquires its own need for independence.

This drive to independence is inherent in the system but under the conditions outlined above, where labour is short, where production failures are magnified by supply failures because of the tighter integration, the position of the director of the unit becomes intolerable. His logic is to do deals where he can and cannot. From organised dealing, accepted and approved by the centre even if not acknowledged, the enterprise has to move to unorganised dealing to achieve its goals. At first, this has been limited and done on barter or the return of favours but its extensive employment cannot continue in such a primitive form. It is inevitable that the use of market type forms expand. It is almost as if the period of the absorption of the absolute surplus has had to be succeeded by the market or its real negation, socialism. As the market cannot be directly introduced, surrogate forms have come into existence whether in the form of the second economy or in alternative incentive systems. Neither constitutes the market, much as bourgeois economists would like to assimilate them, but the trend is towards a build up of relative independence with increasing reliance on forms which simulate a market. Ultimately, the market will burst through in spite of the forces holding it back, but it will be in an explosive form.

The trend to disintegration is obvious to the Soviet elite and hence they keep trying to re-integrate the system, through forms of re-centralisation, and hence the paradoxical Gorbachev statement that there would have to be more effective central planning as well as more devolution.<sup>23</sup> The problem is that the centrifugal tendencies can only grow in reaction to the extreme control exercised by the centre, precisely because the centre is forced to increase its control over the system to avoid the periphery increasing its own anarchic power. In turn, the individual unit is compelled to find ways of improving its own environment simply in order to maintain itself in existence. Over time, therefore, an increase in tension must build up within the system between the centre and national groups, the centre and regions, the centre and its economic units to a point where it cannot be contained because the problems are insurmountable.

There are thus, three aspects to the process of disintegration: 1) the growth of political or socio-political factions, 2) the growth of the independence of economic units and 3) the increasing independence of the social groups in the society. The first two have been discussed already. The

last has been touched on. It refers to the increasing degree of power falling to the inferior groups in the society and their refusal to co-operate, in however unconscious a manner. This refers primarily to the workers, but it has been evident among the intelligentsia and it is thus not surprising that the elite are making conciliatory noises towards the intelligentsia. The concessions in terms of wages and status (relating to productivity)<sup>24</sup> have already been noted.

Thus the social groups are falling apart, the political factions have established themselves and the economy is dissolving. These are only symptoms of the first stage of a crisis, defined as the situation where the the opposite poles within a contradiction become conflictual and antagonistic rather than interpenetrative. In the case of the USSR, this situation has existed ever since the twenties, with planning and the market opposing one another, leading to the elimination of the market and in fact of genuine planning but with the underlying conflict remaining in a new form: that of an organisational system and apparatus opposing the operations of the individual unit. Indeed the organisational forms of the USSR are precisely designed to hold back the disintegration and so crisis of the system. The problem is that these forms have exhausted themselves for the three reasons given: the end of the extraction of the absolute surplus, the specificity of labour and its close integration within a socialised division of labour and the increasing consequent power of the workers. The power of organisation rests on the ability to direct labour so that once that is gone or is limited the power itself gradually weakens.

Gorbachev desperately needs to turn to the market to shore up the existing system, but he cannot get there without taking on the workers. He is sufficiently young to realise that and possibly try it, with the assistance of far-sighted Western statesmen, social democrats and other sound, responsible individuals who want to avoid a genuine socialist society in which the workers control, not enterprises, but the society itself. If he fails, which is the most likely result, the price in terms of instability, not to speak of his own personal political, and possibly more than political, demise will be far greater than that of his predecessors. Already the intelligentsia are getting impatient, not understanding the devious game that has to be played to maintain stability, particularly as the 27th Party Congress brought no solutions to their table.<sup>25</sup> What might happen some years hence when fundamentals are seen to be unaltered, with problems continuing to mount, is of the greatest importance and interest to all who support the democratic rule of the majority and so of the workers in that society. What is now certain is that if Gorbachev fails in his economic programme, he will have to find political and organisational solutions, of a kind not dissimilar from his first leader, Khrushchev, under conditions where the potential power of the workers is far greater than it has ever been.

### **Postscript**

It is worth noting as an addendum that even if Gorbachev has not

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yet provided any new ideas, he has at least provided such a mass of detail of plan failure that it is difficult for anyone to talk of the success of Soviet planning or the Soviet economy or even of positive Soviet growth. When we are told of plans being massively overfulfilled but a reduction in quantity produced in real terms resulting, something which is undetectable because of aggregation; when the results of the last annual (1985) plan show non-fulfilment of such indicators as the full utilisation of productive capacity, saving of raw materials, reduction of costs, accumulation, non-rhythmic working, and low quality production (*Ekonomicheskaya Gazeta*, 6, February, 1986, p.14) quite apart from sectoral failures, then the advocates of Soviet success in growth have a new case to put forward. The point is not that the Soviet growth rate is low (officially 3.1% increase in national income for 1985) but that the real growth rate, given all these misreportings must be a lot lower and has always been a lot lower. Of course, Western agencies and academics have tried to produce alternative growth rates for many years but even their growth rates are almost certainly too large, since they certainly could not know which plants were constructed and which were only built on paper, nor could they even imagine the real meaning of aggregate totals of items, which might be largely unusable for the nominal task. These are definitely well known facts but the new detail is now so overwhelming that the pro-“Soviet” lobby of the left and of the right have to find a new story to justify themselves. Whether Gorbachev needs such friends is open to question.

1. R. Medvedev has, of course stressed the radical discontinuity after the death of Stalin in his book *Let History Judge*, Knopf, New York, 1972 p.357: “Stalin... transformed the Central Committee... into a big and unwieldy chancellery.”
2. This point is also made by the Medvedevs in their books on Khrushchev, but the crucial fact is that the old secret police was effectively cleaned out by Khrushchev who not only killed its leaders but placed the Komsomol leaders of the time in powerful positions over the secret police. Above all the secret police lost the authority to hold anyone who belonged to the party, without the permission of the party itself.
3. The raising of their salaries in the decree of 15.5.85, *Pravda*, is of course not accidental.
4. The military, as in Poland, are not a real possibility as they can only impose an external order which already exists, thanks to the secret police. The latter have the knowledge and the intimate connections within the society to impose a solution. Whether it will succeed is another question.
5. Too many observers of left and right have been fetishized by the existence of a party in the USSR into seeing it as the uniquely controlling body. Such has been the work of L. Shapiro and other totalitarians who avoid looking to the social structure. For a more modern and much less tendentious variation on this kind of party fetishism see “Gorbachev: New man in the Kremlin”, Archie Brown, *Problems of Communism*, May-June 1985. The article is an exceptionally detailed and informative discussion of the life and career of the new leader in relation to the party. That there may be more important forces at work does not enter the terrain of the article. Since the author is no cold warrior in spite of his writing in the house journal of the U.S. State Department his article is a good indication of the general viewpoint among the emerging establishment.
6. See my article on Andropov in *Critique* 16.
7. *Pravda*, 22nd February, 1985.

8. Suslov was the anti-Chinese theoretician at the time of the break in 1964 and this cemented his apparent reputation.
9. Brochure: *Politizdat*, M., 1985: M.S. Gorbachev, "Nastoičëvo dvigat'sia vpered" (speech delivered to a meeting of the Leningrad party organisation activists 17, May, 1985).
10. *Pravda*, March 11th, 1985.
11. Central Committee Meeting, 23 April 1985. He delivered a speech which had considerable force in exposing the economic problems but only produced this mouse of a solution.
12. *Ekonomicheskaya gazeta* 2, January 1985, "Brigady v usloviakh eksperimenta", and practically every issue of that journal since. In this particular article the bureaucratic avoidance of controls by workers is also described. If the work is over reported then the attempt to make people work harder must fail.
13. He regularly also pays tribute to them as the source of change in production in his speeches as in the crucial one of 11th June.
14. *Survey*, 1, 1984 p.88-107.
15. R.Zh., seriya 2, ekonomika, no2, 1985 (Abstracts): p.42 in a review of a work by one T.A.Yugai, G.Popov, the former dean of the faculty of economics at Moscow University, reported with obvious approval that at the moment workers who are displaced are given work elsewhere in the enterprise but that in the 11th five year plan it is intended that unqualified workers be dismissed while in the 12th Five year plan it is intended that there be dismissal of workers of average skill. (p.56 of the book under review).
16. "Reforms and Nep are in the air" reported *The Times* of London, April 1st 1985, and since then there have been not a few similar reports including the article in *Izvestiya* discussing the operation of an enterprise under the market, *Izvestiya* 19.8.85.
17. *Pravda*, 11th June.
18. *Ekonomicheskaya Gazeta*, June 1985.
19. *Pravda*, 22 February 1985.
20. Sonin: "Problemy raspredeleniya i ispolzovaniya trudovykh resursov", *Sotsialisticheskii Trud*, March 1977, p.96: "What is the main reason for the deficit in labour power and what are the means of its elimination? The main reason, in our opinion, is the lack of technique in certain sectors for the technical re-equipment of production."
21. Bachurin, *Planovoe Khoziaistvo*, March 1983.
22. *Pravda*, February 22, 1985.
23. *Pravda*, 11.4.1985.
24. *Pravda*, 11.6.1985.
25. *Observer*, London, 9.03.86