

THE REVISIONIST ATTACK ON MARXIST-LENINIST ECONOMICS

1: EVGENY VARGA

Biographical Note (to 1947)

Evgeny (Jenö) Samilovich Varga\* was born in Hungary in 1879. After graduating from the University of Budapest, he joined the Hungarian Social-Democratic Party in 1906 and became a member of its central executive. In 1918 he was appointed Professor of Political Economy at the University of Budapest, and in March 1919 he became People's Commissar of Finance, and later Chairman of the Supreme Council of National Economy, in the Hungarian Soviet government. After the overthrow of that government, he went to Austria and in 1920 to Soviet Russia, where he became (as the 'Times' expressed it in his obituary)

" . . . the leading economic theorist of the Soviet Union and the Communist world".  
(*'Times'*, 9 October 1964; p. 15).

In 1922 he was sent to Berlin as head of the Soviet trade delegation. At this time he made no attempt to disguise his Trotskyist views:

"While he stayed at the Berlin Embassy, Trotsky\* spent many hours in discussions with Krestinsky\*, the Ambassador, and E. Varga, the Comintern's leading economist. The subject of his discussions with Varga was socialism in a single country".  
(The Trotsky Archives, Harvard University, cited in: Isaac Deutcher: *'The Prophet Unarmed: Trotsky: 1921-1929'*; Oxford; 1959; p. 266).

Varga maintained

" . . . that as an economic theory, Stalin's doctrine was worthless".  
(The Trotsky Archives, Harvard University: *ibid.*; p. 266).

From 1926 to 1932, he was chief editor of the Communist International journal *'International Press Correspondence'*.

In 1927,

" . . . he was criticised for theoretical deviation".  
(Branko Lazitch & Milorad M. Drachkovich: *'Biographical Dictionary of the Comintern'*; Stanford (USA); 1973; p. 425).

In 1930 he was elected to the USSR Academy of Sciences. On his return to the Soviet Union, he was made director of the Institute of World Economy and World Politics, which in 1936 was incorporated into the USSR Academy of Sciences.

Varga's Book on War Economy (1946)

In September 1946 a book by Varga was published in Moscow entitled *'Izmeniya v Ekonomike Kapitalizma v Itoge Vtoroi Mirovoi Voiny'* (Changes in the Economy of Capitalism as a Result of the Second World War).

(A summary of the content of the book appears in: Philip J. Jaffe: *'The Rise and Fall of American Communism'*; New York; 1975; p. 103-05).

It incorporated a number of features and theses diverging from long-accepted Marxist-Leninist principles, namely:

1) instead of dealing with economic and political questions together and revealing their interrelation, it dealt in the volume published only with economic questions, stating that political questions would be dealt with in a later volume;

2) it declared that 'state capitalism' prevailed in the People's Democracies established in Eastern Europe after the Second World War and that these states were of 'relatively small significance in world economy';

3) it presented the state in monopoly capitalist countries as the machinery of rule of monopoly capital only 'in normal times', while in times of national emergency, such as war, it was 'the machinery of rule of the capitalist class as a whole';

4) it fostered the view that nationalisation measures in modern capitalist countries were 'analogous to the measures carried out in the People's Democracies of Eastern Europe';

5) it fostered the view that, in modern capitalist countries, the working class 'could gradually increase its influence in the state apparatus until it had secured the dominant position within it';

6) it painted a picture of relations between modern imperialist countries and colonial-type countries which implied that the former relations of dominance and exploitation of the latter by the former had been 'reversed';

7) it expressed the view that the wartime changes in modern capitalist countries made 'state economic planning' possible in those countries;

8) it did not base itself on the theory that the general crisis of capitalism was deepening.

9) it expressed the view that in the post-war world the contradictions between imperialism and the Soviet Union would be 'greatly reduced', so that Lenin's proposition that war was inevitable under imperialism was no longer valid.

#### The Criticism of Varga's Book (1947-49)

In May 1947, the book was strongly criticised at three sessions of a joint conference of the Political Economy Sector of the Economics Institute and of the Political Economy Faculty of Moscow University:

"Varga's book was subject to extensive criticism in a series of specially convened meetings of the Economics Institute of the Academy of Sciences and the Economics Department of Moscow University on May 7th, 14th and 21st 1947".

(R. S.: 'The Discussions on E. Varga's Book on Capitalist War Economy"', in: 'Soviet Studies', Volume 1, No. 1 (June 1949); p. 33),

Although

" . . . the May Discussion . . . was conducted in good spirit and in a

dignified manner".

(Evsey D. Domar: 'The Varga Controversy', in: 'American Economic Review', Volume 40, No. 1 (March 1950); p. 149).

However, at this time Varga was willing to make only one minor admission of error -- on the character of the People's Democracies':

"If you were to ask me whether I consider it necessary to change any theoretical proposition . . . (except the treatment of the question concerning the character of people's democracy) I would have to reply, comrades -- 'No!'. And those reviews that I have seen also have not convinced me in the slightest that any of my fundamental theoretical propositions need changing".

('Soviet Views on the Post-War World Economy: An Official Critique of Evgeny Varga's "Changes in the Economy of Capitalism resulting from the Second World War"; Washington; 1948; p. 2-3).

Five months later, in October 1947,

" . . . Varga's Institute of World Economy was liquidated" ('A Soviet Economist Falls from Grace', in: 'Fortune', Volume 37 (March 1948); p. 5).

In October 1948,

" . . . an augmented session of the Learned Council of Academy of Sciences, with the participation of scholars, educators and representatives of government ministers, convened". (Philip J. Jaffe: op. cit.; p. 111-12).

The main item on the agenda was a further critical discussion on Varga's book.

Konstantin Ostrovitianov\*, the director of the Economics Institute of the USSR Academy of Sciences, made a strong criticism of Varga (as well as of those who had worked under his direction), in particular for their failure fully to admit their mistakes:

"The series of works published in recent years on questions of the economics and politics of capitalist countries contain gross anti-Marxist errors and distortions. . . .

These books were severely and justly criticised in the pages of the Soviet press. The criticism revealed systematic errors of a reformist nature in these books. . . .

Mistakes of a reformist nature also found reflection in the magazine 'World Economy and World Politics', of which Varga was editor.

Comrade Varga, who headed this un-Marxist trend, and some of his fellow-travellers, have not yet made admissions of their mistakes. . . . Such non-Party attitude towards criticism leads to new theoretical and political errors".

(Konstantin Ostrovitianov: 'Concerning Shortcomings and Tasks of Research Work in the Field of Economics', in: 'Current Digest of the Soviet Press', Volume 1, No. 6 (8 March 1949); p. 5-6).

Varga still, however, refused to admit more than two errors in his work:

"The separation of economics from politics was erroneous. . . ."

I erred when I said that state capitalism prevailed in the economy of the people's democracies. . . .

I cannot follow the advice and admit all the criticisms of my work to be correct. This would mean that I am deceiving the Party, hypocritically saying: 'I am in agreement with the criticism' when I was not in agreement with it. . . . There are things I cannot admit".

(Evgeny Varga: Contribution to 'Reports and Discussions concerning the Shortcomings and Tasks of Research in the Field of Economics, Augmented Session of Learned Council of the Economic Institute of the USSR Academy of Sciences, in: 'Current Digest of the Soviet Press', Volume 1, No. 11 (12 April 1949); p. 17, 18).

In closing the discussion, Ostrovitianov commented:

"Comrade Varga continues stubbornly to deny his gross errors of principle which were characterised in our Party press as mistakes of a reformist nature. . . .

You are asked to abandon the part of an injured dignitary of science and to try conscientiously to analyse your errors and, most important, to correct them, creating new works corresponding to the requirements of Marxist-Leninist science. From the history of our Party, you should know to what sad consequences stubborn insistence on one's errors leads".

(Konstantin Ostrovitianov: Concluding Remarks in Discussion 'Concerning Shortcomings and Tasks of Research Work in the Field of Economics', in: 'Current Digest of the Soviet Press', Volume 1, No. 12 (19 April 1949); p. 5-6).

#### Varga's Disclaimer (1949)

However, as most of his colleagues came to accept the strong criticism levelled at Varga's ideas, in March 1949 Varga felt compelled to write a letter to the Communist Party newspaper 'Pravda' (Truth) denying foreign press reports that he was 'of Western orientation':

"I wish to protest most strongly against the dark hints of the war instigators to the effect that I am a man 'of Western orientation'. Today, in the present historical circumstances, that would mean being a counter-revolutionary, an anti-Soviet traitor to the working class".

(Evgeny Varga: Letter to the Editor, 'Pravda' (15 March 1949), in: 'Current Digest of the Soviet Press', Volume 1, No. 10 (5 April 1949); p. 45).

#### Varga's Self-Criticism (1949)

In April 1949, Varga published in 'Voprosy ekonomiki' (Problems of Economics) a long article admitting the justice of the criticisms made of his book, accepting responsibility for mistakes in other works published under the auspices of the Institute of World Economics and World Politics, and regretting that he did not accept the criticism earlier:

"My book 'Changes in the Economy of Capitalism as a Result of the Second World War' was severely criticised, as is well known, in the Party press and in scholarly discussions. A large number of other works of the former Institute of World Economy and World Politics, published after the war, likewise were severely criticised. As director of that institute, I was responsible for these works. This criticism was necessary and



correct. My mistake was that I did not recognise at once the correctness of this criticism. But better late than never. . . .

My prolonged delay in admitting the mistakes disclosed by the criticism undoubtedly was harmful. . . .

Honourably to admit mistakes made; to analyse their causes thoroughly in order to avoid them in the future — this is precisely what Lenin considered the only correct approach, both for Communist parties and for individual comrades. . . .

There is no doubt that in this respect I did not act with wisdom". (Evgeny Varga: 'Against the Reformist Tendency in Works on Imperialism', in 'Current Digest of the Soviet Press', Volume 1, No. 19 (hereafter listed as 'Evgeny Varga (1949)'; p. 3, 9).

Varga admitted that these errors were particularly dangerous because they were reformist departures from Marxism-Leninism:

"These errors constitute a whole chain of errors of a reformist tendency, in toto signifying a departure from a Leninist-Stalinist evaluation of modern imperialism.

It goes without saying that mistakes of a reformist tendency also signify mistakes of a cosmopolitan tendency, because they paint capitalism in rosy colours.

Every reformist mistake, every infringement of the purity of Marxist-Leninist teachings, is especially dangerous in present historical circumstances".

(Evgeny Varga (1949): *ibid.*; p. 3).

and because they related to the evaluation of the nature of the bourgeois state:

"All mistakes of a reformist tendency in respect of the bourgeois state . . . lend support to the counter-revolutionary, reformist deception of the working class. . . .

The mistakes in my book, disclosed by the criticism, have all the greater significance in that they principally concern questions on the evaluation of the role and character of the bourgeois state".

(Evgeny Varga (1949): *ibid.*; p. 3, 4).

Varga agreed with his critics that the fundamental reason for his chain of reformist errors was his incorrect attempt to separate economics from politics:

"The fundamental reason for this (chain of errors -- Ed.), as my critics correctly established, was the methodologically erroneous separation of economics from politics. . . .

Mistakes of a reformist tendency inevitably proceed from a departure from the Marxist-Leninist dialectical method, which demands a many-sided study of all phenomena under analysis and their mutual relationships. . . .

When an attempt is made, (as in my case and that of a number of other authors of the former Institute of World Economics and World Politics) to analyse the economy of capitalism 'outside of politics', this departure from the Marxist-Leninist method leads inevitably, unintentionally, to mistakes of a reformist tendency. . . .

My book is methodologically incorrect in divorcing the analysis of economics from politics".

(Evgeny Varga (1949): *ibid.*; p. 4, 8).

In particular, admitted Varga, this incorrect methodology led to his incorrect characterisation of the state under monopoly capitalism as, in 'normal' times, the machinery of rule of the capitalist class as a whole, and not as the machinery of rule of monopoly capital:

"There is no doubt that I was in error in characterising the modern state as 'an organisation of the bourgeoisie as a whole' rather than, as it should be characterised, as a state of the financial oligarchy".  
(Evgeny Varga (1949): *ibid.*; p. 4-5).

It was this failure to make clear

" . . . the consolidation of the union of the state apparatus with the financial oligarchy during the war",  
(Evgeny Varga (1949): *ibid.*; p. 5).

declared Varga, which had led him to suggest that the proletariat could gradually increase its influence in the state apparatus until the point was reached where it had the decisive role in the state. Quoting from his book, Varga admitted:

"These lines would win the applause of any reformist, . . .  
The question of state power is a question of the correlation of class forces, and can be resolved only in class struggle".  
(Evgeny Varga (1949): *ibid.*; p. 5).

Varga also now accepted that the characterisation he gave in his book of the nature of nationalisation in modern capitalist countries was erroneous:

"The incorrect characterisation which I gave of nationalisation in England follows these same lines. It goes without saying that nationalisation of the important branches of the economy represents a further consolidation of state capitalism. . . .

In view of the class character of the state, nationalisation in England does not signify progress in the direction of democracy of a new type".  
(Evgeny Varga (1949): *ibid.*; p. 6, 7).

A similar fundamental error, admitted Varga, led to

" . . . the incorrect evaluation of the changes in relations between England and India. . . .

Was India really transformed into the creditor of England? . . .  
In amount of capital, India is England's creditor, but in income from capital England is even now the exploiter of India".  
(Evgeny Varga (1949): *ibid.*; p. 7).

Varga confirmed his earlier admission of error in characterising the People's Democracies of Eastern Europe both as 'state capitalist' and now also as of 'relatively small' significance:

"The break-off of these countries (the People's Democracies -- Ed.) from the imperialist system was undoubtedly one of the most important social-economic results of the second world war and signifies a deepening of the general crisis of capitalism. . . .

It was incorrect to assert . . . that state capitalism predominates in these countries. It was especially incorrect to evaluate their

significance . . . as 'relatively small'.  
(Evgeny Varga (1949): *ibid.*; p. 8, 9).

He now also accepted that he had been in error in asserting that genuine state economic planning could occur in modern capitalist countries:

"I made these mistakes worse by the assertion that since the war 'something in the way of a unique "state plan" has appeared in certain capitalist countries'. I must admit that all my assertions concerning the question of 'planning under capitalism' are a great retreat from my correct position in 1935.. . .

A still more resolute struggle must be carried on against the mendacious propaganda conducted by the reformists for a planned economy under capitalism".

(Evgeny Varga (1949): *ibid.*; p. 8).

Finally, Varga agreed that he had been seriously in error in paying little attention to the intensification of the general crisis of capitalism:

"The fact that the book did not take up the question of the deepening of the general crisis of capitalism has tremendous importance. This inevitably causes the reader to imagine that the world war did not reflect the deepening of the crisis. . . . The absence of problems concerning the general crisis of capitalism is a serious omission".

(Evgeny Varga (1949): *ibid.*; p. 9).

Thus, Varga had now admitted that all the theses for which he had been criticised were erroneous, except his allegation that wars were no longer inevitable under imperialism.

He now announced that he had abandoned as unsound his original plan to write a second volume of his work dealing with political questions:

"I must draw lessons for the future from the mistakes made. My plan to deal with political problems as a . . . second volume to my work is now out of the question. . . .

In short, instead of the planned second volume of my former work, a new, independent book must be written on the economic and political post-war problems of imperialism, without the reformist mistakes I made in the book".

(Evgeny Varga (1949): *ibid.*; p. 9).

#### The Reduction in Stalin's Authority (1929-52)

Over the years, Stalin and the Marxist-Leninists in leading positions in the CPSU were engaged in a continuing struggle against spurious 'Marxist-Leninists' — revisionists:

"The source of this 'frame of mind', the soil on which it has arisen in the Party, is the growth of bourgeois influence on the Party, in the conditions of . . . the desperate struggle between the capitalist and socialist elements in our national economy. The capitalist elements are fighting not only in the economic sphere; they are trying to carry the fight into the sphere of proletarian ideology, . . . and it cannot be said that their efforts have been entirely fruitless, . . .

There can scarcely be any doubt that the pressure of the capitalist states on our state is enormous, that the people who are handling our

foreign policy do not always succeed in resisting this pressure, that the danger of complications often gives rise to the temptation to take the path of least resistance, the path of nationalism". (Josef V. Stalin: 'Questions and Answers' (June 1925), in: 'Works', Volume 7; Moscow; 1954; p. 166-67, 171).

and Stalin took his stand firmly on the side of Marxism-Leninism:

"Either we continue to pursue a revolutionary policy, rallying the proletarians and the oppressed of all countries around the working class of the USSR — in which case international capital will do everything it can to hinder our advance;

Or we renounce our revolutionary policy and agree to make a number of fundamental concessions to international capital — in which case international capital, no doubt, will not be averse to 'assisting' us in converting our socialist country into a 'good' bourgeois country". (Josef V. Stalin: Report at a Meeting of the Active of the Moscow Organisation of the CPSU (April 1928), in: 'Works', Volume 11; Moscow; 1954; p. 58-59).

Over the years, the still concealed revisionists in leading positions in the CPSU were able, slowly but steadily, to reduce the influence of Stalin — now by far the most astute and politically advanced Marxist-Leninist in the leadership.

Until 1927, Stalin made numerous contributions to the work of the Communist International; after 1927 — nothing. To disguise the significance of this enforced withdrawal, the false story was spread that

" . . . Stalin did not share Lenin's commitment to the idea of the Communist International" (Robert H. McNeal: 'Stalin: Man and Ruler'; Basingstoke; 1988; p. 218).

In 1949 publication in the Soviet Union of Stalin's 'Sochineniya' (Works) was halted at Volume 13, covering the period 1930-1934.

This limitation of Stalin's influence was concealed to some extent by the 'cult of personality' which the revisionist conspirators built up around Stalin. Nevertheless it was noted by the most astute analysts, such as the American William McCagg, Junior\*:

"In 1950 and 1951 Stalin's power was limited". (William O. McCagg, Junior: 'Stalin Embattled: 1943-1948'; New York; 1975; p. 307).

until he became virtually what McCagg calls 'the prisoner in the Kremlin':

"The reports from the (US — Ed.) Moscow Embassy strongly fostered the 'prisoner' image of Stalin at this time". (William O. McCagg, Junior: *ibid.*; p. 382).

In October 1952, the revisionists succeeded in demoting Stalin from the post of General Secretary of the Central Committee of the CPSU — a post he had held since April 1922 — to that of one of several Secretaries:

"After the 11th Party Congress, on April 3, 1922 the Plenum of the Central Committee, on V. I. Lenin's motion, elected Stalin as Secretary-



General of the Party; Stalin served in this post until October 1952, and from then until the end of his life he was Secretary of the Central Committee".

('Entsiklopedichesky slovar' (Encyclopaedic Dictionary), Volume 3; Moscow; 1955; p. 310).

"Stalin ceased to be General Secretary of the Central Committee. . . . He had lost all those special powers which went with the position and which set him apart from the other members of the Central Committee Secretariat".

(Boris Nikolaevsky: 'Power and the Soviet Elite'; New York; 1965; p. 92).

Stalin's 'Economic Problems of Socialism in the USSR' (1952)

Stalin was prevented from playing a leading role at the 19th Congress of the CPSU, which opened on 5 October 1952:

"In a break with a long tradition going back to the twenties, it was not Stalin who presented the Central Committee report, nor did he take part in the deliberations".

(Gábor T. Ritterspoorn: 'Stalinist Simplification and Soviet Complications: Social Tensions and Political Conflicts in the USSR: 1933-1953'; Reading; 1991; p. 219).

"Stalin himself sat at a separate tribune during the proceedings and said nothing, apart from the brief concluding speech".

(Robert H. McNeal: op. cit.; p. 299).

"Stalin sat in total isolation. . . . He appeared at the congress only at the opening and closing sessions".

(Dmitri Volkogonov: 'Stalin: Triumph and Tragedy'; London; 1991; p. 568).

In spite of this,

" . . . the star role, and the only important one, was played by Stalin and . . . it was played not at the Congress, but before it opened. . . .

This Stalin achieved by issuing, a few days before the delegates met in Moscow, a new 'master work'. . . . It completely stole the thunder of the Congress, as it was obviously intended to do".

(Harrison Salisbury: 'Stalin's Russia and after'; London; 1955; p. 148).

"'Economic Problems of Socialism in the USSR' was given to the world on October 3 and 4, filling two entire issues of 'Pravda'. And on October 5 the 19th Congress of the CPSU opened"

(Adam B. Ulam: 'Stalin: The Man and His Era'; London; 1989; p. 731),

The essence of the work was that it

" . . . strongly attacked pro-capitalist tendencies in the USSR".

(Kenneth W. Cameron: 'Stalin: Man of Contradiction'; Toronto; 1987; p. 118).

and the success of Stalin's tactics is shown by

" . . . the decision of the 19th Party Congress to base the new Party

programme on Stalin's 'Economic Problems'".

(Abdurahman Avtorkhanov: 'Stalin and the Soviet Communist Party: A Study in the Technology of Power'; London; 1959; p. 249).

Here we shall note only one aspect of this anti-revisionist content of the work -- namely, the section on the continuing validity of Lenin's thesis on the inevitability of war under imperialism.

"Some comrades hold that, owing to the development of new international conditions since the Second World War, wars between capitalist countries have ceased to be inevitable. . . .

These comrades are mistaken. . . .

It is said that Lenin's thesis that imperialism inevitably generates war must now be regarded as obsolete, since powerful popular forces have come forward today, in defence of peace and against another world war. That is not true.

The object of the present-day peace movement . . . is not to overthrow capitalism and establish socialism. It confines itself to the democratic aim of preserving peace. . . .

It is possible that in a definite conjuncture of circumstances the fight for peace will develop here or there into a fight for socialism. But then it will no longer be the present-day peace movement; it will be a movement for the overthrow of capitalism.

What is most likely is that the present-day peace movement will, if it succeeds, result in preventing a particular war, in the temporary preservation of a particular peace. in the resignation of bellicose government and its supersession by another that is prepared temporarily to keep the peace. That, of course, will be good. Even very good. But, all the same, it will not be enough to eliminate the inevitability of wars between capitalist countries generally. It will not be enough because, for all the successes of the peace movement, imperialism will remain -- and, consequently, the inevitability of wars will also continue in force.

To eliminate the inevitability of war, it is necessary to abolish imperialism".

(Josef V. Stalin: 'Economic Problems of Socialism in the USSR' (February-September 1952), in: 'Works', Volume 16; London; 1986; p. 327, 331,332).

#### Varga's New Self-Criticism (1952)

It will be recalled that, prior to 1952. Varga had admitted the correctness of all the criticisms levelled at his book 'Changes in the Economy of Capitalism as a Result of the Second World War' except that to the effect that war was 'no longer inevitable' under imperialism":

The passage in Stalin's 'Economic Problems of Socialism in the USSR' relating to this question

" . . . was clearly directed against Varga".  
(Philip J. Jaffe: op. cit.; p. 121).

Following the publication of Stalin's work, Varga felt it necessary to issue a further self-criticism admitting that he was 'in error' on this question also. His declaration was made at an augmented meeting of the Learned Council of the Economics Institute of the USSR Academy of Sciences in November 1952.

The official report of the meeting states:

"Academician Varga was the first to take the floor. . . . We workers of the Economics Institute, he said, from post-graduate students up to Academicians, express a feeling of profound appreciation to Comrade Stalin for his new classic, for the huge contribution which he has made to Marxist-Leninist economics and for the invaluable aid he has rendered all economists. A profound study of Comrade Stalin's brilliant work will help each of us to improve his work. The basic economic law of modern-day capitalism, which Comrade Stalin revealed, will give us a key to the understanding and clarification of the present-day status of imperialism and a perspective on its further development. This law defines all the main features of monopoly capitalism. . . .

Academician Varga acknowledged that he had been mistaken in supposing that the Leninist thesis of the inevitability of wars among capitalist countries had become obsolete in present-day conditions. . . .

I acknowledge that I was mistaken in this question, said Academician Varga. Comrade Stalin gave a thorough demonstration of the inevitability of wars among capitalist countries even at the present stage. I consider that if, in the course of our work, we have committed a mistake, we are obliged honourably to acknowledge it and not to repeat it".

('Tasks of the Economics Institute of the USSR Academy of Sciences in Connection with Publication of J. V. Stalin's Brilliant Work 'Economic Problems of Socialism in the USSR', in: 'Current Digest of the Soviet Press', Volume 5, No. 3 (26 February 1953); p. 6).

#### Varga's 'Rehabilitation' (1954)

After the death of Stalin in 1953 and the subsequent accession to power of the new revisionist leadership of the Communist Party of the Soviet Union, headed by Khrushchev, Varga was 'rehabilitated' and in 1954 awarded the Order of Lenin:

"Under Khrushchev, . . . he (Varga -- Ed.) was not only rehabilitated, but received the Order of Lenin in 1954".

(Philip J. Jaffe: op. cit.,; p. 123).

And in 1963 -- the year before his death -- Varga was awarded

" . . . the Lenin Prize for distinguished contributions to the development of Marxist-Leninist science".

('Great Soviet Encyclopedia', Volume 4; New York; 1974; p. 509).

#### Varga's 'Politico-Economic Problems of Capitalism' (1964)

That Varga's 'self-criticism' was not sincere was established in 1964, when he published a new book entitled 'Ocherki po problemam politekonomy kapitalizma' (Essays on Politico-Economic Problems of Capitalism). An English translation appeared in 1968, after his death, under the title 'Politico-Economic Problems of Capitalism'.

Varga presented the book as a polemic against 'the distortion of economic science in the time of Stalin', saying:

"The book, written polemically, is directed against thoughtless dogmatism, which until recently was widespread in works on the economy

and politics of capitalism".

(Evgeny Varga: 'Politico-Economic Problems of Capitalism'; Moscow; 1968 (hereafter listed as 'Evgeny Varga (1968)'); p. 11).

He admitted that his earlier 'self-criticisms' had not been made as a result of pressure within the Soviet Union, placing the blame upon the foreign press:

"At the time of the debate, I was compelled to put an end to the discussion by admitting that there were mistakes in my book. This was not because pressure was exerted on me in the Soviet Union, but because the capitalist press, and especially the American papers, . . . used it for violent anti-Soviet propaganda, asserting that I was pro-West, was opposing the Communist Party, etc. It therefore became a matter of little importance to me whether my critics or I were right. . . . The bourgeois press was trying to make the capitalist world see me as an opponent of my own Party, and this was something that I could not tolerate".  
(Evgeny Varga (1968): op. cit.; p. 50).

However, he now repeated almost all the statements which he had earlier admitted to have been 'incorrect'.

He now repeated:

1) his claim that the modern capitalist state was the machinery of rule of monopoly capital only in 'normal' conditions, while in conditions of emergency, such as war it became the machinery of rule of the capitalist class as a whole::

"Under 'normal' conditions. i. e., when the capitalist social system is not subjected to any immediate danger, the monopoly capitalist state is a state of the monopoly bourgeoisie. . . .

The state acts on behalf of the interests of the whole bourgeoisie at times when the existence of the capitalist social system is in direct danger. . . .

The objection was that 'it is not the state but the monopolists who are the decisive force in the war economy'. This objection is a simple logical mistake. . . . Monopoly capital assumes a decisive role only with the introduction of a war economy. . . .

Stalin's conception ('state-monopoly capitalism implies the subordination of the state apparatus to the capitalist monopolies') is wrong".

(Evgeny Varga (1968): op. cit.; p. 45-46, 47, 55).

2) his claim that under modern capitalism state economic planning was possible:

"Let us turn to the problem of economic planning by the capitalist state. . . .

Even now in times of peace, a number of bourgeois states have adopted 'five-year plans'. India, for example, is now implementing its third five-year plan. . . .

It cannot be denied that the six Common Market countries have 'planned' their economic policy for a period of twelve years in advance. . . . The European Coal and Steel Community also operates according to plan".

(Evgeny Varga (1968): op. cit.; p. 48, 49).



3) his claim that wars are no longer inevitable under imperialism:

"There are dogmatists today who reiterate that inter-imperialist wars are unavoidable even today. But they are wrong, because they disregard the profound changes that have taken place in the world since the time when this theory was formulated. . . .

The historic events of the past twelve years have refuted the conception on which Stalin built his theory on the inevitability of inter-imperialist wars. His conception was based on the view that economically the USA will always have the edge over Britain, France, West Germany and Japan".

(Evgeny Varga (1968): op. cit.; p. 75, 79).

Here Varga sinks down to gross distortion. To 'have the edge over' means to

" . . . have . . . an advantage over".

('Oxford English Dictionary', Volume 5; Oxford; 1989; p. 67).

But Stalin does not state that the USA will always have the advantage over the imperialist powers of Europe and Asia. He says:

"Would it not be truer to say that capitalist Britain and, after her, capitalist France, will be compelled in the end to break from the embrace of the USA and enter into conflict with it in order to secure an independent position and, of course, high profits?".

(Josef V. Stalin (1952): op. cit.; p. 328).

In spite of Varga's declaration in 1952 that Stalin's 'Economic Problems of Socialism in the USSR' was a 'brilliant work', by 1964 he was denouncing key parts.

For example, Stalin insisted that, as a result of the Second World War, the

" . . . people's democracies broke away from the capitalist system. . . . The economic consequences of the existence of two opposite camps was that the single all-embracing world market disintegrated. . . .

It follows from this that the sphere of exploitation of the world's resources by the major capitalist countries (USA, Britain, France) will not expand, but contract".

(Josef V. Stalin (1952): op. cit.; p. 324, 326).

Varga now denounced this analysis as 'unfounded' and 'wrong':

"Stalin's unfounded assertion about the narrowing of the capitalist market over the years to come is to this day still echoed by some Soviet economists. . . .

Stalin was wrong when he predicted a shrinking of the capitalist market".

(Evgeny Varga (1968): op. cit.; p. 164, 174).

Of course, it is true that, as a result of the betrayal of socialism by the revisionists, this process of contraction of the capitalist world market was later reversed. But this occurred only after 1953, and does not invalidate the analysis made by Stalin in 1952.

Even Stalin's 'basic economic law of modern capitalism' -- described by Varga in 1952 as 'a key to the understanding and clarification of the present-day status of imperialism' -- had by 1964 become, in Varga's view, 'unfounded':

"Stalin's assertion that 'it is not the average profit but the maximum profit, that modern monopoly capitalism needs, . . . is entirely unfounded"

(Evgeny Varga (1968): op. cit.; p. 162).

Varga argues that

" . . . the striving for maximum profits is not distinctive of modern capital".

(Evgeny Varga (1968): op. cit.; p. 163).

It is, of course, true that all capitalists, and not only monopoly capitalists, strive for maximum profit. But Stalin's law does not speak of striving for, but of securing, maximum profit:

"The main features and requirements of the basic economic law of modern capitalism might be formulated roughly in this way: the securing of the maximum capitalist profit".

(Josef V. Stalin: (1952): op. cit.; p. 334).

In conditions of capitalist competition, the rate of profit is, in the long run, limited to the average rate:

"Competition levels the rates of profit of the different spheres of production into an average rate of profit".

(Karl Marx: 'Capital: A Critique of Political Economy', Volume 3; London; 1974; p. 208).

This is because, where capitalist competition exists, if capitalists in one sphere of production are making a rate of profit above the average, capitalists in other spheres rush to invest in that sphere, so causing prices and the rate of profit to fall until the rate of profit in that sphere has fallen to the average level. Conversely, if capitalists in one sphere of production are making a rate of profit below the average, capitalists rush to transfer their capital to other, more profitable, spheres, so causing prices and the rate of profit to rise until the rate of profit has risen to the average level.

Consequently, under conditions of competition, capitalists strive to obtain the maximum rate of profit, but cannot in the long run succeed in obtaining it.

But Stalin is dealing in 'Economic Problems of Socialism, in the USSR' with modern capitalism, which is monopoly capitalism, where effective competition no longer exists. Thus, in modern capitalism, capitalists may not merely strive for maximum profit, they may secure it. Hence, Stalin states correctly that

" . . . the main features and requirements of the basic economic law of modern capitalism might be formulated roughly in this way: the securing of the maximum capitalist profit".

(Josef V. Stalin (1952): op. cit.; p. 334).

It is clear that by the term 'maximum profit', Stalin meant the maximum possible profit in conditions of monopoly. Yet in an effort to present Stalin's basic economic law of modern capitalism as 'sheer nonsense', Varga pretends to understand Stalin's term as the maximum imaginable profit for monopoly capital, namely as that profit which would accrue to monopoly capital if it appropriated all the profit being made in society:

"The term 'maximum profit' was intended to express that monopoly capital appropriates all the surplus value being created in capitalist society. This is sheer nonsense".  
(Yevgeny Varga (1968): op. cit.; p. 163).

Varga's 'Testament' (1964)

Shortly before his death, Varga wrote

" . . . a political statement titled 'The Russian Way and its Results', . . . known since as Varga's 'Testament'".  
(Philip J. Jaffe: op. cit.; p. 130).

The document was

" . . . circulated in typewritten copies by the underground press in the Soviet Union (Samizdat) but never officially published".  
(Philip J. Jaffe: op. cit.; p. 130).

According to Varga's 'Testament', negative features in Soviet life dated from the period when Stalin was Secretary-General of the Communist Party of the Soviet Union:

"All these negative features stem from the period of the Stalinist leadership, which lasted about 30 years".  
(Evgeny Varga 'Political Testament', in: 'New Left Review', No. 62; (July-August 1970) (hereafter listed as "Evgeny Varga (1970)"); p. 42).

According to Varga, under Stalin's leadership the dictatorship of the proletariat degenerated into the 'dictatorship of the top group of the Party bureaucracy':

"The dictatorship of the proletariat, whose theoretical foundations were laid by Marx and Lenin, rapidly became a dictatorship of the top group of the Party bureaucracy. . . .

This produced a total degeneration of the 'power of the Soviets'".  
(Evgeny Varga (1970): op. cit.; p. 36, 37).

which existed only in name:

"'Soviet power' exists . . . in our country only in the sense that the Party leaders govern the country in the name of the Soviets".  
(Evgeny Varga (1970): op. cit.; p. 38).

Stalin built up, according to Varga, a system of repression directed against both opponents and colleagues until the Soviet Union became only quantitatively different from Nazi Germany:

"In 1934, when Stalin started to destroy his most prominent opponents within the Party, he simultaneously eliminated some of his own entourage

who opposed his rise and his methods of leadership. . . .

To justify this mass repression exercised against ordinary citizens, Stalin constructed a special theory according to which the class struggle in a country building socialism would be continued and even intensified for a long period, until a new society was built and consolidated. . . .

Although there were fewer torturers and sadists in the prisons and concentration camps of Stalin than in those of Hitler, one can say that there was no difference in principle between them".

(Evgeny Varga (1970): op. cit.; p. 38, 39).

Varga alleges that Party leadership in the time of Stalin 'ruined co-operative agriculture':

"The Stalinist leadership ruined the collective farms . . . and produced a kolkhoz peasantry which had no interest in its own work".

(Evgeny Varga (1970): op. cit.; p. 34).

Varga thus presents the Communist Party of the Soviet Union, in the time of Stalin, as an all-powerful 'bureaucratic oligarchy', which despised the working people:

"This bureaucratic oligarchy of the Party controls all the 'levers' of the Party apparatus and the government. . . .

The members of the 'nomenclatura' were . . . given an institutionalised position of privilege over the toiling masses. The bureaucratic oligarchy of the Party thus freed itself from the public opinion of the workers and became accustomed to despising them".

(Evgeny Varga (1970): op. cit.; p. 32).

being in fact 'an instrument for their exploitation':

"In industry, the state directly appropriated surplus value. . . .

The centralised Party-bureaucratic state . . . appropriates the surplus value created by the labour of the working population and uses it for its own needs. . . .

The officials of the 'nomenclatura' and their families . . . appropriate a certain part of the surplus -- value created by the labour of manual workers, collective farmers and office employees. . . .

The unlimited power of the bureaucratic leadership of the Party conceals from the workers the mechanism of the ferocious economic exploitation of the workers, employees and -- most of all -- the peasants of the collective farms".

(Evgeny Varga (1970): op. cit.; p. 33, 35, 36).

What, no doubt, made Varga's anti-Stalin diatribe unacceptable to the new Soviet revisionist leadership was his allegation that under their 'reforms' nothing had fundamentally altered, and that real change required a new top leadership:

"After Stalin's death in 1953, it seemed that remarkable changes were taking place in Soviet society. . . .

But . . . was the structure of society really changed? This question must be answered in the negative. . . .

To change the existing situation in the country, a radical change in the top leadership is necessary. To expect an initiative from below is impossible".

(Evgeny Varga (1970): op. cit.; p. 42, 43).



Leon Trotsky, despite his fierce attacks on the Soviet Union in the time of Stalin, maintained until his death that it remained a workers' state, even though 'distorted':

"The attempt to represent the Soviet bureaucracy as a class of 'state capitalists' will obviously not withstand criticism".  
(Leon Trotsky: 'The Revolution Betrayed: What is the Soviet Union and where is it going?'; New York; 1937; p. 249).

Some Trotskyist groups, however, maintain that the Soviet Union in the time of Stalin was a society where the 'Stalinist bureaucracy' constituted 'a ruling, exploiting class of state capitalists':

"The Stalinist bureaucracy qualifies as a class. . . .  
The Russian bureaucracy . . . is the personification of capital in its purest form. . . .

The workers . . . are politically expropriated, they are also economically exploited The rate of exploitation, that is, the ratio between surplus value and wages, does not depend on the arbitrary will of the Stalinist government, but is dictated by world capitalism".  
(Tony Cliff: 'State Capitalism in Russia'; London; 1974; p. 166, 169, 180, 209).

CLEARLY, AT THE END OF HIS LIFE VARGA CAME EXTREMELY CLOSE TO THE TROTSKYISM HE HAD OPENLY ESPOUSED IN THE 1920s.

#### The Revisionists' Obituary of Varga (1964)

Varga died on 8 October 1964. His glowing obituary, published in 'Pravda' on 9 October, was signed by Nikita Khrushchev\*, Anastas Mikoyan\* and other revisionist leaders. It described him as

" . . . an outstanding representative of Marxist-Leninist economic science. . . .

The works of E. S. Varga are imbued with party-spirit, and irreconcilability with any manifestation of the dogmatism or revisionism, vulgarisation or doctrinairism which called themselves science in the years of the cult of personality".

(Obituary of Evgeny Varga, in: 'Pravda', 9 October 1964, in: Evgeny Varga (1970): op. cit.; p. 30).

## 2. NIKOLAY VOZNESENSKY

### Biographical Note (to 1949)

Nikolay Akekseyevich Voznesensky\* became the principal defendant in what later became known in the Soviet Union as 'the Leningrad Affair':

"The term 'Leningrad Affair' . . . has been used in the Soviet Union since 1954 to describe a purge that took place in 1949-50 involving a number of Party and state officials, most of whom were then or before connected with Leningrad".

(Adam B. Ulam: 'Stalin: The Man and His Era'; London; 1989; p. 706).

Voznesensky was born in 1903 in the Tula region (just south of Moscow), and joined the Communist Party in 1919, two years after the Revolution. From 1921 to 1924 he studied at the Sverdlovsk Communist University, from which he graduated. Between 1928 and 1934 he was a student, and later an instructor, at the Institute of Red Professors. In 1935 he became a Doctor of Economics. Between 1935 and 1937, he was Chairman of the Leningrad City Planning Commission.

In December 1937 he was appointed Deputy Chairman of the USSR State Planning Commission, and in January 1938 became its Chairman.

On the outbreak of war in 1941, he became a member of the State Defence Committee, and also a Deputy Prime Minister. In 1943 he was elected a member of the USSR Academy of Sciences.

After the war, he was engaged in the rehabilitation of the national economy, and in 1947 became a member of the Politburo of the Central Committee of the CPSU.

### The Campaign to Relax Planning Priority for Means of Production (1945-47)

Nikolay Voznesensky was closely associated with Mikhail Rodionov\*, who was appointed Premier of the Russian Federation (RSFSR) in 1946. The two had been

" . . . linked in 1945 by a common approach to practical economic problems".

(William O. McCagg, Junior: 'Stalin Embattled: 1943-1948'; Detroit; 1978; p. 134).

The principal feature of this common approach was the proposal that, now that the war was over, the traditional priority accorded in Soviet economic planning to means of production could and should be relaxed.

In this year,

" . . . Voznesensky, Mikoyan\*, Kosygin\* and Rodionov came in 1945 explicitly together as a managerial grouping which favoured establishing a place in the peacetime economy of the Soviet Union for light. as well as heavy industries. . . . His (Voznesensky's -- Ed.) Five Year Plan speech of March 1946 assigned priority on the immediate level to reconstruction tasks, civilian housing and consumer goods. . . .

After 1945 this group, and particularly Rodionov, was involved in

political intrigues, . . . Rodionov . . . was a Russian nationalist".  
(William O. McCagg, Junior: op. cit.; p. 134, 135).

The group around Voznesensky used their power base in Leningrad to introduce in the Russian Republic some of the policy changes for which they stood by introducing

" . . . after 1945 . . . in the Russian Republic a number of administrative reforms to increase consumer production. . . .

During 1946 and 1947, for example, the Russian Republic blossomed with ministries for technical culture, cinematography, luxury goods, delicatessen products, light industry and the like".  
(William O. McCagg, Junior: op. cit.; p. 135, 363).

#### The Soviet-German Joint Stock Companies (1945-47)

About this time,

" . . . Voznesensky and Mikoyan . . . set up joint Soviet-German stock companies and assigned to them huge industrial assets".  
(William O. McCagg, Junior: op. cit.; p. 137).

In 1947, the Marxist-Leninists

" . . . counter-attacked, and gradually the Voznesenskys and Mikoyans were compelled to hand over their joint stock companies to the German Communists".  
(William O. McCagg, Junior: op. cit.; p. 137).

#### Relations with the Yugoslav Revisionists (1946-48)

Between 1946 and 1948, leading Leningrad figures established friendly contacts with Yugoslav leaders who were, in the latter year, denounced by the Cominform as revisionists. Milovan Djilas\* describes how Aleksandr Vosnesensky\*, Nikolay's elder brother, expressed revisionist views to him in 1946:

"I was well acquainted with Voznesensky's elder brother, a university professor who had just been named Minister of Education in the Russian Federation. I had some very interesting discussions with the elder Voznesensky at the time of the Pan-Slavic Congress in Belgrade in the winter of 1946. We had agreed not only about the narrowness and bias of the prevailing theories of 'socialist realism', but also about the appearance of new phenomena in socialism . . . with the creation of the new socialist countries and with changes in capitalism which had not yet been discussed theoretically".

(Milovan Djilas: 'Conversations with Stalin'; Harmondsworth; 1963; p. 117).

Djilas reports that a Yugoslav delegation to the Soviet Union in January 1948 was received in Moscow with 'reserve', but was warmly welcomed in Leningrad. He tells us that since the delegation

" . . . wished to see Leningrad. . . . I approached Zhdanov\* about this, and he graciously agreed. But I also noticed a certain reserve. . . .

Our encounter with Leningrad's officials added human warmth to our

admiration. . . . We got along well with them, easily and quickly. . . . We observed that these men approached the life of their city and citizens — that most cultured and most industrialised centre in the vast Russian land — in a simpler and more human way than the officials in Moscow.

It seemed to me that I could very quickly arrive at a common political language with these people simply by employing the language of humanity". (Milovan Djilas: *ibid.*; p. 129, 130-31).

"In January 1948, shortly before relations between Moscow and Belgrade were broken off, a Yugoslav delegation headed by Djilas arrived in the Soviet Union. They were coolly received in Moscow, but very cordially in Leningrad".

(Boris Levytsky: 'The Uses of Terror: The Soviet Secret Service: 1917-1970'; London; 1971; p. 193).

Vladimir Dedijer\*, too, confirms that the Yugoslav delegation

" . . . expressed a wish to visit Leningrad. They were warmly welcomed there".

(Vladimir Dedijer: 'Tito Speaks: His Self-portrait and Struggle with Stalin'; London; 1953; p. 322).

Naturally, these developments did not go unnoticed in Moscow. The Central Committee of the All-Union Communist Party noted in its letter to the Central Committee of the Communist Party of Yugoslavia of 4 May 1948 that the last Yugoslav Party delegation to the Soviet Union had preferred to obtain 'data' from officials of the local Leningrad organisation than from officials in Moscow:

"It should be noted that the Yugoslav comrades who come to Moscow as a rule travel quite freely about and around the towns of the USSR, that they meet our people and talk freely with them. . . . At the occasion of his last visit to the USSR, Comrade Djilas, while sojourning in Moscow, went for a couple of days to Leningrad, where he talked with Soviet comrades. . . . Comrade Djilas has abstained from collecting data from . . . officials of the USSR, but he did so with local officials in Leningrad organisations.

What did Comrade Djilas do there, what data did he collect? We have not considered it necessary to busy ourselves with such queries. We suppose he has not collected data there for the Anglo-American or the French Intelligence Services".

(Central Committee, All-Union Communist Party (Bolsheviks): Letter to CC, CPY, 4 May 1948, in: 'Correspondence of the Central Committee of the Communist Party of Yugoslavia and the Central Committee of the All-Union Communist Party (Bolsheviks)'; Belgrade; 1948; p. 52).

In this connection, Robert Conquest\* points out:

"Thus the Leningraders are said to have given Djilas material which would have been harmful to that State if handed over to imperialist secret services. But within a year it was said that the Yugoslavs were agents of the secret services".

(Robert Conquest: 'Power and Policy in the USSR: The Study of Soviet Dynasties'; London; 1961; p. 102).



The 'Cult' of Leningrad (1947-48)

In 1947,

" . . . M. I. Rodionov, the young Russian nationalist leader, . . . publicly linked his campaign for reform in the Russian Republic with the cult of Leningrad".

(William O. McCagg, Junior: op. cit.; p. 275).

As a part of this campaign, in 1948 the group around Voznesenky proposed that the the capital of the Russian Republic be moved from Moscow to Leningrad, a proposal which came to be a central feature of the 'Leningrad Affair'. They proposed

" . . . that the capital of the Russian Republic be transferred from Moscow to Leningrad, and that the republic's Party headquarters be moved to the northern city as well. The advocates of that move were Rodionov and Vlasov, respectively chairmen of the Council of Ministers (Prime Minister -- Ed.) and of the Presidium of the Supreme Soviet (President -- Ed.) of the RSFSR".

(Peter Deriabin: 'Watchdogs of Terror: Russian Bodyguards from the Tsars to the Commissars'; Bethesda (USA); 1984; p. 312).

In 1948 Pyotr Popkov\*, First Secretary of both the Leningrad Regional and City Committees of the Party, proposed to Nikolay Voznesensky

" . . . that he should 'patronise' (i.e., pay special attention satisfying the needs of -- Ed.) Leningrad".

('Political Archives of the Soviet Union', Volume 1, No. 2 (1990) (hereafter listed as 'Political Archives (1990)'; p. 154).

Voznesensky did not inform the Central Committee of Popkov's approach.

The Soviet Marxist-Leninists saw these proposals as a move to make the Communist Party in the Russian Republic the centre of an anti-Party, anti-socialist conspiracy.

Voznesensky's Book 'War Economy of the USSR . . .' (1947)

In 1947 a major work by Voznesensky was published. It was entitled 'Voyennaia ekonomika SSR v period otechestvennoi voini' (The (War Economy of the USSR in the Period of the Patriotic War'). An English translation was published in 1948.

The book incorporated a number of theses diverging from long-accepted Marxist-Leninist principles, namely:

1) it favoured a relaxation of the principle that Soviet economic planning should give priority to the production of means of production:

For example, the chapter headed 'Post-War Socialist Economy' proposes

" . . . the increase of the portion of the social product earmarked for consumption".

(Nikolay Voznesensky: 'War Economy of the USSR in the Period of the Patriotic War'; Moscow; 1948; p. 147),

Robert Conquest points out that

" . . . the practical application of Voznesensky's view might be an increase in consumer goods rather than in industrialisation".  
(Robert Conquest: op. cit.; p. 111).

2) it favoured the concept that the state planning authorities should base the distribution of production resources in the economy on the law of value:

"The state plan in the Soviet economic system makes use of the law of value to set the necessary proportions in the production and distribution of social labour and the social product. . . .

The law of value operates . . . in the distribution of labour among the various branches of the Soviet Union's national economy. . . . The state plan makes use of the law of value to ensure the proper apportionment of social labour among the various branches of the economy".

(Nikolay Voznesensky: op. cit.; 117, 118).

Economist Janice Giffen comments:

"N. A. Voznesensky . . . had attempted to give greater significance to the law of value in the Soviet economy".

(Janice Giffen: 'The Allocation of Investment in the Soviet Union: Criteria for the Efficiency of Investment', in: Peter J. D. Wiles (Ed.): 'The Soviet Economy on the Brink of Reform: Essays in Honour of Alec Nove'; Winchester (USA): 1988; p. 56).

3) it presented the state economic plan as the equivalent of an economic law:

"It is essential to note the . . . specific features of the state economic plan that convert it into the law of economic development in the USSR. . . .

The state plan has the force of a law of economic development, because it is based on the authority and practice of the entire Soviet people organised into the state. . . .

Socialist planning . . . is in itself a special law of development and as such a subject of political economy".

(Nikolay Voznesensky: op. cit.; p. 115, 120).

The New Zealand-born economist Ronald Meek\* points out that Voznesensky's theory

" . . . comes very close indeed to a virtual identification of 'economic law' under socialism with government economic policy".

(Ronald L. Meek: 'Studies in the Labour Theory of Value'; London; 1956; p. 273).

and the American economist William O. McCagg, Junior\*, comments:

"It was basic to Voznesensky's argument that miracles were possible because the system was socialist".

(William O. McCagg, Junior: op. cit.; p. 142).

That Stalin was opposed to Voznesensky's views, which he condemned as a programme 'to restore capitalism', was admitted by Khrushchev in Sofia in June

1955:

"According to Khrushchev, Voznesensky (shortly before the Leningrad purge) , , , went to Khrushchev, Malenkov and Molotov and said that he had spent a long session with Stalin explaining his draft for the new Five-Year Plan. Part of this provided for some relaxation of . . . planning and for certain NEP-style measures. . . . Stalin then said: 'You are seeking to restore capitalism in Russia'".  
(Wolfgang Leonhard: 'The Kremlin since Stalin'; London; 1962; p. 177).

"Voznesensky expressed views differing from Stalin's on questions of economic policy".  
(Boris Levytsky: op. cit.; p. 192).

Nevertheless, initially the book was widely praised in the Soviet press. and was awarded a Stalin Prize in 1948.

Stalin was made aware that Voznesensky's theories had the backing of Khrushchev\* and other leading Party members:

"Voznesensky is said . . . to have asked Khrushchev and others to intercede with Stalin. . . . These colleagues were granted an interview with Stalin and expressed support for some of Voznesensky's measures",  
(Bruce J. McFarlane: 'The Soviet Rehabilitation of N. A. Voznesensky — Economist and Planner', in: 'Australian Outlook', Volume 16, No. 2 (August 1964); p. 152).

The Australian economist Bruce McFarlane\* points out that Voznesensky's economic theories anticipated the economic changes introduced by the Soviet revisionists after Stalin's death:

"His (Voznesensky's -- Ed.) economic theories . . . anticipated by a decade the actual changes in the structure of the Soviet economy that were introduced during 1957-60".  
(Bruce J. McFarlane: op. cit.; p. 151).

#### The Leningrad Party Conference (1948)

On 22-25 December 1948, there was held a

" . . . joint conference (10th Regional and 8th City) of the Leningrad (Party — Ed.) organisation".  
( 'Political Archives' (1990); op. cit.; p. 153).

A few days after the conference,

" . . . the Central Committee received an anonymous letter maintaining that, although the names of P. S. Popkov, Y. A. Kapustin and G. F. Badayev . . . had been crossed out in some of the ballots, A. Y. Tikhonov, Chairman of the Counting Commission, had told the conference that they had received unanimous votes".  
( 'Political Archives' (1990); op. cit. p. 153).

The Central Committee investigated the ballot concerned, and it was discovered that

" . . . indeed, four delegates had voted against Popov, two against Badayev, fifteen against Kapustin, and two against Lazutin". ('Political Archives' (1990); op. cit.; p. 163).

The Country-Wide 'Economic Reforms' (1949)

In January 1949, the revisionists felt in a strong enough position to introduce on a country-wide scale the 'economic reforms' proposed by Voznesensky which would prepare the ground for making profit the regulator of production:

"In January 1949 an overhaul of the price system was put into effect. . . . As a result the prices of many basic materials and freight charges increased to double or more". (Robert Conquest: op. cit.; p. 105).

"On 1 January 1949, wholesale prices were raised very considerably". (Peter J. D. Wiles: 'The Political Economy of Communism'; Oxford; 1962; p. 119).

The reforms were described as Voznesensky's

" . . . swingeing reduction of subsidies". (Archie Brown (Ed.): 'The Soviet Union: A Biographical Dictionary'; London; 1990; p. 43).

It must be noted that

" . . . in 1950, after Voznesensky's fall, this policy was reversed and the prices of producer goods were again reduced -- to be cut again in 1952". (Robert Conquest: op. cit.; p. 105).

The All-Russia Wholesale Fair (1949)

In 1948,

" . . . Voznesensky suggested that an international fair be staged in Leningrad". ((Peter Deriabin: op. cit.; p. 313).

As a result, on 10-20 January 1949, an All-Russia Wholesale Fair was held in Leningrad.

On 13 January 1949, after the fair had opened, the Prime Minister of the Russian Federation, Mikhail Rodionov\*

" . . . sent Malenkov\*, Secretary of the Central Committee, a message saying that an All-Russia Wholesale Fair had opened in Leningrad and that trading organisations from other Soviet republics were participating". (Mikhail Rodionov: Message to Georgi Malenkov, 13 January 1949, in: 'Political Archives' (1990); op. cit.; p. 153).

Malenkov circulated Rodionov's message to Lavrenti Beria\*, Nikolay Voznesensky and Anastas Mikoyan\*, writing on it:

"Please take a look at Comrade Rodionov's message. I consider projects



of this kind must be carried out with permission from the Council of Ministers (i.e., the government -- Ed.)" ('Political Archives' (1990); op. cit.; p. 153).

The Politburo Action against the Leningrad Conspirators (1949)

Members of the Politburo of the Central Committee of the CPSU were satisfied that leading Party members in Leningrad were engaged in a conspiracy seeking to divert the Party's policy away from Marxist-Leninist principles and to drive a wedge between the Leningrad Party and the Central Committee.

On 15 February 1949, the Politburo of the CC of the Communist Party adopted a resolution 'On the Anti-Party Actions of Comrades Aleksey A. Kusnetsov, Mikhail I. Rodionov and Pyotr S. Popkov'. The resolution strongly criticised the named Party members for 'anti-state activities'.

The accusation was made in it that

" . . . the All-Russia Wholesale Fair in Leningrad, organised by Kuznetsov, Rodionov and Popkov, had resulted in a squandering of state commodity stocks and in unjustifiable expenditures of resources". ('Political Archives' (1990); op. cit.; p. 153).

"The decision stated:

'The Politburo of the A-UCP(b) Central Committee considers that the aforesaid anti-Party actions are a consequence of an unhealthy and non-Bolshevik deviation of Comrades Kuznetsov, Rodionov and Popkov, reflected in their demagogic flirting with the Leningrad organisation, their disparaging of the Central Committee, which alleged does not assist the Leningrad organisation, and in their trying to put themselves forward as some special champions of Leningrad's interests, erect a wall between the Central Committee and the Leningrad organisation, and thereby distance the Leningrad organisation from the Party's Central Committee.

In this context, it should be noted that Comrade Popkov, as First Secretary of the Leningrad Regional and City Committees of the Party, . . . is embarking on the road of circumventing the Party's Central Committee. . . .

It is in the same light that we should consider the proposal, of which the Central Committee has just learned from Comrade Voznesensky, that he should 'patronise' Leningrad. . . .

The Politburo of the Central Committee considers that such non-Party methods must be nipped in the bud, for they express anti-Party group tactics, breed mistrust in relations between the Leningrad Regional Committee and the Central Committee, and could result in the Leningrad organisation breaking away from the Party. . . .

The Central Committee points out that when he tried to turn the Leningrad organisation into a bastion of his anti-Leninist faction, Zinoviev\* resorted to the same anti-Party methods of playing up to the Leningrad organisation, disparaging the Central Committee, which allegedly did not care about the needs of Leningrad, detaching the Leningrad organisation from the Party".

('Political Archives' (1990); op. cit.; p. 153-54).

The Politburo

" . . . decided to dismiss Rodionov, Kuznetsov and Popkov from their

jobs, and handed down Party reprimands to them".  
('Political Archives' (1990); op. cit.; p. 154).

Voznesensky was also reprimanded:

"The Politburo decision said: . . .

'Although he turned down Comrade Popkov's invitation to 'patronise' Leningrad, . . . Comrade Voznesensky, a member of the Politburo of the Central Committee, was wrong in not telling the Central Committee . . . about the anti-Party proposal'".

('Political Archives' (1990): op. cit.; p. 154).

#### Malenkov's Visit to Leningrad (1949)

On 21 February 1949,

" . . . Malenkov was briefed by Stalin and despatched to Leningrad. . . Malenkov was to 'go there and take a good look at what's going on . . . ' . Malenkov left by train that very night.

The 'signals' coming from Leningrad alleged that, with the connivance of Central Committee Secretary A. A. Kuznetsov, the local Party boss (Popkov -- Ed.) was not taking notice of the central party authorities".  
(Dmitri Volkogonov: "Stalin: Triumph and Tragedy"; London; 1991; p. 520).

On 22 February 1949,

" . . . Malenkov told a joint plenary meeting of the Leningrad Regional and City Party committees about the Central Committee's decision of February 15, 1949 concerning Kuznetsov, Rodionov and Popkov. He declared that an anti-Party group existed in Leningrad. . . . Only Popkov and Kapustin admitted that their activities had been of an anti-Party nature. After them, other speakers began begging for indulgence. . . .

The resolution of the joint plenary meeting accused Kuznetsov, Rodionov, Popkov and Kapustin of belonging to an anti-Party group".  
('Political Archives' (1990); op. cit.; p. 154).

#### The Dismissal of Voznesensky (1949)

.. On 5 March 1949,

" . . . the Bureau of the USSR Council of Ministers adopted a draft decision 'On the State Planning Committee', which included Stalin's phrase to the effect that 'an attempt to doctor figures to fit this or that prejudiced opinion is a criminal offence'".  
('Political Archives' (1990); op. cit.; p. 155).

By decision of the USSR Council of Ministers on the same date,

" . . . Voznesensky was dismissed as Chairman of the USSR State Planning Committee".  
('Political Archives' (1990); op. cit.; p. 155).

#### The CC Resolution on Voznesensky's Book (1949)

On 13 July 1949, the Central Committee of the CPSU adopted a resolution declaring that

" . . . the editors of 'Bolshevik' made a serious mistake in offering the pages of the magazine for servile glorification of N. Voznesensky's book 'The War Economy of the USSR in the Period of the Patriotic War'", (Resolution of CC, CPSU, 14 July 1949, in: 'Current Digest of the Soviet Press', Volume 4, No. 50 (24 January 1953); p. 15).

and took the decision

" . . . to remove Comrade F. N. Fedoseyev\* from the post of editor-in-chief of the magazine 'Bolshevik'".  
(Resolution of CC, CPSU, 14 July 1949, in: 'Current Digest of the Soviet Press', Volume 4, No. 50 (24 January 1953); p. 15).

The resolution also censured Dmitri Shepilov\*, the Central Committee's Director of Propaganda, for the same offence:

"Comrade Shepilov, as Director of the Propaganda and Agitation Department of the Party Central Committee, has proved incapable of exercising supervision over the magazine 'Bolshevik'. . . . Comrade Shepilov . . . committed a gross error in permitting N. Voznesensky's book to be recommended".  
(Resolution of CC, CPSU, 14 July 1949, in: 'Current Digest of the Soviet Press', Volume 4, No. 50 (24 January 1953); p. 15).

Although the revisionists were unable to save Voznesensky from criticism -- and later from arrest, trial and execution -- they were able to prevent any mention of these events in the media:

After March 1949,

" . . . it was not until December 1952 that any reference whatever was again made to Voznesensky".  
(Robert Conquest: op. cit.; p. 155)

#### The Charge of Espionage (1949)

On 21 July 1949,

" . . . Abakumov\* sent Stalin a note saying Kapustin\* was suspected of contacts with British intelligence. . . . Kapustin was arrested".  
( 'Political Archives' (1990); op. cit.; p. 155).

#### The Missing Documents (1949)

In July 1949,

" . . . E. E. Andreyev, who was appointed to the USSR Planning Committee as an authorised representative of the Central Committee responsible for personnel, submitted a memo . . . alleging that the Planning Committee had lost some of its documents between 1944 and 1949".  
( 'Political Archives' (1990); op. cit.; p. 155).

The matter was referred to the Party Central Committee, which

" . . . prepared a memorandum 'On Voznesensky's Un-Party Behaviour', alleging that the Planning Committee had reduced industrial plans, that departmental tendencies had been imposed and wrong personnel employed at

the Planning Committee, and that Voznesensky . . . had maintained ties with the anti-Party group in Leningrad". ('Political Archives' (1990); op. cit.; p. 155).

On 9 September 1949, the Party Control Commission submitted to Malenkov its recommendation

" . . . that Voznesensky be expelled from the Central Committee and charged with the loss of Planning Committee documents. . . . On September 12 and 13 1949, the proposal was approved by a Plenary Meeting of the Central Committee". ('Political Archives' (1990); op. cit.; p. 155).

#### Voznesensky's 'The Political Economy of Communism' (1949)

In the autumn of 1949,

" . . . removed from all his posts, Nikolay Alekseyevich (Voznesensky — Ed.) sat at home and continued to work on 'The Political Economy of Communism'" (G. Petrovichev: 'He Kept His Vow', in: 'Current Digest of the Soviet Press', Volume 15, No. 47 (18 December 1963); p. 12).

According to 'Pravda' of 1 December 1963,

" . . . Voznesensky wrote in his unpublished 'Political Economy of Communism' that 'scientific socialism does not deny the importance of the law of value, market prices and the concept of profits and losses'". (Bruce J. McFarlane: op. cit.; p. 162).

and expressed ideas about

" . . . harnessing the 'socialist profit' motive". (Bruce J. McFarlane: op. cit.; p. 162).

#### The Arrests (1949)

On 13 August 1949,

" . . . Kuznetsov, Popkov, Rodionov, Lazutin . . . were arrested in Malenkov's study in Moscow", ('Political Archives' (1990); op. cit.; p. 155).

and on 27 October 1949,

" . . . Voznesensky was arrested". ('Political Archives' (1990); op. cit.; p. 155).

#### The Restoration of the Death Penalty (1950)

On 13 January 1950, the Presidium of the Supreme Soviet issued

" . . . a decree reinstating the death penalty — abolished in the USSR in May 1947 — for treason, espionage and sabotage". ('Keesing's Contemporary Archives', Volume 7; p. 10,462).



The Investigation (1949-50)

Malenkov

" . . . personally supervised the investigation and took part in the interrogation".

('Political Archives' (1990); op. cit.; p. 155).

A movement

" . . . was launched in Leningrad to replace officials at all levels.

More than 2,000 leading officials . . . were dismissed from their jobs in Leningrad and the region in 1949-52".

('Political Archives' (1990); op. cit.; p. 156).

The Indictment (1950)

On 26 September 1950,

" . . . N. N. Nikolayev, senior assistant to the chief military procurator, wrote the formal indictment, and A. P. Vavilov endorsed it".

('Political Archives' (1990); op. cit.; p. 156).

The defendants were:

"Nikolay A. Voznosensky, . . .

Aleksey A. Kuznetsov, . . .

Mikhail I. Rodionov, . . .

Pyotr S. Popkov, . . .

Yakov F. Kapustin, . . .

Pyotr G. Lazutin, . . .

Iosif M. Turko, . . .

Taisia V. Zakrzhevskaya, . . .

Filipp E. Mikheyev".

('Political Archives' (1990): op. cit.; p. 151).

"The charges ranged from separatism (trying to usurp Moscow's power by creating a separate Party base in Leningrad) to treason (collaboration with Yugoslavia)".

(Amy Knight: 'Beria: Stalin's First Lieutenant'; Princeton (USA); 1993; p. 151).

"They were all charged with having set up an anti-Party group to conduct sabotage and subversion aimed at detaching the Leningrad Party organisation and setting it against the Party's Central Committee and turning it into a bastion to fight the Party and its Central Committee".

('Political Archives (1990)': op. cit.; p. 152).

The Trial (1950)

The trial of the defendants in the 'Leningrad Affair' took place in Leningrad on 29-30 September 1950:

"The trial . . . took place in September 1950 at Officers' House on Liteiny Boulevard in Leningrad".

(Dmitri Volkogonov: op. cit.; p. 522 (citing 'Central State Archives of

the October Revolution', f. 7,523, op. 107, d. 261, l. 12).

According to the official record of the trial, as quoted by the Supreme Court of the USSR in April 1957:

"The accused pleaded guilty to having formed an anti-Soviet group in 1938, carrying out diversionary activity in the Party aimed at undermining the Central Committee organisation in Leningrad and turning it into a base for operations against the Party and its Central Committee. . . . To this end, . . . they spread slanderous allegations and uttered traitorous plots. . . . They also sold off state property. . . . As the documents show, all the accused fully confessed to these charges at the preliminary investigation and in court".  
(Dmitri Volkogonov: op. cit.; p. 522, citing 'Central State Archives of the October Revolution', f. 7,523, op. 107, d. 261, l. 13-15).

All the accused were found guilty.

Voznosensky, Kuznetsov, Rodionov, Popkov, Kapustin and Lazutin were sentenced to death. Turko was sentenced to 15 years' imprisonment, Zakrzhevskaya and Mikheyev to 10 years' imprisonment.

The death sentences were carried out on 1 October 1950.

Stalin's 'Economic Problems of Socialism in the USSR' (1952)

In February 1952 -- by which time Voznesensky had been executed -- Stalin criticised -- but without naming the author -- Voznesensky's anti-Marxist-Leninist theses discussed on pages 21-22:

Firstly,

"The law of value cannot, under our system, function as the regulator of production. . . .

If this were true, it would be incomprehensible why our light industries, which are the most profitable, are not being developed to the utmost, and why preference is given to our heavy industries, which are often less profitable and sometimes wholly unprofitable. . . .

Obviously, if we were to follow the lead of these comrades, we should have to cease giving primacy to the production of means of production in favour of the production of articles of consumption. And what would be the effect of ceasing to give primacy to the production of the means of production? The effect would be to destroy the possibility of continuous expansion of our national economy, because the national economy cannot be continuously expanded without giving primacy to the production of means of production".

(Josef V. Stalin: 'Economic Problems of Socialism in the USSR', in: 'Works', Volume 16; London; 1986; p. 313, 315-16).

Robert Conquest writes that in this passage Stalin

" . . . is evidently attacking the Voznesensky price policy".  
(Robert Conquest: op. cit.; p. 105).

Secondly,

"Some comrades deny the objective character of laws of science, and of

the laws of political economy particularly, under socialism. They deny that the laws of political economy reflect law-governed processes which operate independently of the will of man. They believe that in view of the specific role assigned to the Soviet state by history, the Soviet state and its leaders can abolish existing laws of political economy and can 'form', 'create', new laws.

These comrades are profoundly mistaken. It is evident that they confuse laws of science, which reflect objective processes in nature or society, processes which take place independently of the will of man, with the laws which are issued by governments, which are made by the will of man. But they must not be confused.

Marxism regards laws of science . . . as the reflection of objective processes which take place independently of the will of man. Man may discover these laws, get to know them, study them, reckon with them in his activities, and utilise them in the interests of society, but he cannot change or abolish them. Still less can he form, or create new laws of science".

(Josef V. Stalin: *ibid.*; p. 289-90,

As the British economist Peter Wiles\* points out:

"This is clearly a blow at Voznesensky".

(Peter J. D. Wiles: *op. cit.*; p. 106).

#### The 19th Congress of the CPSU (1952)

At the 19th Congress of the CPSU in October 1952, Secretary Georgi Malenkov endorsed Stalin's criticism of Vosnesensky's revisionist economic views -- again without mentioning him by name:

"Denial of the objective character of economic laws is the ideological basis of adventurism in economic policy, of complete arbitrariness in economic leadership".

(Georgi Malenkov: 'Report to 19th Party on the Work of the Central Committee of the CPSU (B)'; Moscow; 1952; p. 140).

#### The New Criticism of Voznesensky's Economic Views (1952)

In the political situation existing after the publication of Stalin's 'Economic Problems of Socialism in the USSR' and its endorsement at the 19th Congress of the CPSU, the Soviet Marxist-Leninists were able to break through the curtain of silence which the revisionists had been able to draw around Voznesensky and his partners-in-crime.

On 12 and 21 December 1952, two articles were published in 'Izvestia' by the philosopher Petr Fedoseyev extolling Stalin's 'Economic Problems of Socialism in the USSR'. On 24 December 1952 a further article was published in 'Pravda' by Mikhail Suslov\*, the Chief Editor of 'Pravda', in which he agreed with Fedoseyev's conclusions and for the first time since 1949 mentioned Voznesensky by name:

"This (Voznesensky's -- Ed.) view is in essence a revival of the idealistic theory of Duhring\*".

(Mikhail Suslov: 'Concerning the Articles by P. Fedoseyev in 'Izvestia', Dec. 12 and 21', in: 'Current Digest of the Soviet Press', Volume 4, No. 50 (24 January 1953)' p. 14).

Suslov's article went on to express strong criticism of Fedoseyev for failing to make a self-criticism of his (Fedoseyev's — Ed.) role in endorsing Voznesensky's views in the 1940s:

"The question inevitably arises why he (Fedoseyev -- Ed.), who once diligently disseminated this same idealistic viewpoint and subjectivism on the nature of the economic laws of socialism, deemed it necessary to maintain silence about his mistakes. . . .

'Bolshevik' passed off N. Voznesensky's anti-Marxist book 'The War Economy of the USSR in the Period of the Patriotic War' as 'the latest work of science' and praised it practically to the skies as 'a valuable contribution to Soviet economic science'. . . .

Comrade Fedoseyev's action can only be construed as a glossing over by him of his own errors, which is inadmissible for a Communist".  
(Mikhail Suslov: *ibid.*; p. 14, 15).

Suslov's article contained the previously unpublished March 1949 resolution of the Central Committee criticising Voznesensky's book and its endorsement by 'Bolshevik'.

In January 1953, a letter from Fedoseyev dated 31 December 1952 was published in 'Pravda', in which he said:

"I unconditionally regard as correct the criticism of my mistakes in Comrade M. Suslov's article".

(Petr Fedoseyev: Letter to the Editor of 'Pravda', 31 December 1952, in: 'Current Digest of the Soviet Press', Volume 4, No. 50 (24 January 1953)' p. 15).

#### 'Rehabilitation' (1954)

After the death of Stalin and the domination of the leadership of the CPSU by revisionists, the latter hastened to 'rehabilitate' their executed fellow-conspirators.

On April 30 1954,

" . . . the USSR Supreme Court rehabilitated the persons who had been tried and convicted under the 'case'"  
(*'Political Archives (1990)'*: *op. cit.*; p. 157).

and on 3 May 1954

" . . . the Presidium of the CC CPSU adopted a decision to this effect, obliging Nikita S. Khrushchev, First Secretary of the Central Committee, and R. A. Rudenko, USSR Procurator-General, to notify the Leningrad Party activists of the decisions adopted. This was done".  
(*'Political Archives (1990)'*: *op. cit.*; p. 157).

At this point, therefore, only a limited number of 'Leningrad Party activists' were aware of the allegations of 'miscarriage of justice' in the 'Leningrad Affair'.

But the 'rehabilitation' of the conspirators made it necessary to find scapegoats to blame for the alleged 'miscarriage of justice' involved in their conviction, and responsible for the 'torture' that would account for their 'false' confessions.



Thus, shortly after the murder of Lavrenti Beria in 1953 at the hands of the revisionists, the former Minister of State Security, Viktor Abakumov, was arrested, together with five of his assistants. Abakumov was put on trial — charged with having 'fabricated a false case' against those involved in the 'Leningrad Affair'. Although the trial was stated to have been 'open', the Soviet public knew nothing of it until after those accused had been executed:

"The Military Collegium of the USSR Supreme Court . . . at an open court session in Leningrad December 14-19 1954, tried V. S. Abakumov (former USSR Minister of State Security (MGB)), A. G. Leonov (former Director of the MGB Investigating Division for Especially Important Cases), V. I. Komarov and M. T. Likachev (former Deputy Chairmen of the Investigating Division for Especially Important Cases). . . .

The accused Abakumov, who was raised by Beria to the post of USSR Minister of State Security, was a direct participant in a criminal conspiratorial group which carried out enemy assignments for Beria against the Communist Party and the Soviet government. . . .

Abakumov fabricated cases against individual workers in the Party and Soviet apparatus and representatives of the Soviet intelligentsia, then arrested these people and — using criminal methods of investigation prohibited by Soviet law — together with his accomplices . . . obtained from those arrested false evidence and confessions of grave state crimes.

In this manner, Abakumov fabricated the so-called 'Leningrad case'. . . in which many Party and Soviet officials were arrested without grounds and falsely accused of very many grave state crimes. . . .

The persons falsely accused by Abakumov and his accomplices have now been completely rehabilitated".

(Communiqué, in: 'Pravda', 24 December 1954, in: 'Current Digest of the Soviet Press', Volume 6, No. 49 (19 January 1955); p. 12).

All the accused, the communiqué declared, were found guilty and Abakumov, Leonov, Komarov and Likhachev were sentenced to death. The communiqué concluded:

"The sentence has been carried out".

(Communiqué: *ibid.*; p. 12).

At this stage -- 1954 -- therefore, it was not alleged that Beria was directly involved in the 'Leningrad Affair', merely that the 'guilty' Abakumov had been

" . . . raised by Beria to the post of USSR Minister of State Security".

(Communiqué: *ibid.*; p. 12).

Khrushchev repeats this statement in his memoirs:

"Abakumov, who actually supervised the prosecution, was Beria's man".  
(Strobe Talbott (Ed.): 'Khrushchev Remembers'; London; 1971 p. 253).

However, at his 'trial' in 1953

" . . . the 'Leningrad Case' did not figure in the published accusations against Beria".

(Robert Conquest: *op. cit.*; p. 233).

Shortly after the trial of Abakumov in 1954, however, a document circulated by the Soviet leaders to those of other East European countries placed the blame for the 'miscarriage of justice' entirely upon Beria:

"This circular referred to the so-called 'Leningrad Affair'. . . . In the secret circular Beria was now held responsible for the whole thing". (Wolfgang Leonhard: op. cit.; p. 72, 73).

It was not until the infamous 20th Congress of the CPSU in February 1956 that the 'rehabilitation' of the conspirators in the 'Leningrad Affair' and the trial of Abakumov were made more widely known in First Secretary Nikita Khrushchev's secret speech to the Congress. But even this speech was not published in the Soviet Union until the 1980s. The 'blame' for the alleged 'miscarriage of justice' was now placed upon Stalin, who was said to have 'personally supervised' the case. Khrushchev alleged:

"The so-called 'Leningrad Affair' . . . was fabricated. Those who innocently lost their lives included Comrades Voznesensky, Kuznetsov, Rodionov, Popkov and others.

As is known, Voznesensky and Kuznetsov were talented and eminent leaders. . . .

The 'Leningrad Affair' is also the result of wilfulness which Stalin exercised against Party cadres. . . .

The Party's Central Committee has examined this so-called 'Leningrad Affair'; persons who innocently suffered are now rehabilitated and honour has been restored to the glorious Leningrad Party organisation. . . .

Stalin personally supervised the 'Leningrad Affair'. . . .

When Stalin received certain materials from Beria and Abakumov, . . . he ordered an investigation of the 'Affair' of Voznesensky and Kuznetsov".

(Nikita Khrushchev: Secret Speech to 20th Congress, CPSU, in: Russian Institute, Columbia University (Eds.): 'The Anti-Stalin Campaign and International Communism'; New York; 1956; p. 58, 59, 60).

However, in his memoirs, Khrushchev himself disposes of his earlier story that Stalin initiated false charges against Voznesensky, recounting that in 1949, after Voznesensky's dismissal in 1949,

"I remember that more than once during this period Stalin asked Malenkov and Beria: 'Isn't it a waste not letting Voznesensky work while we're deciding what to do with him?'

'Yes', they would answer, 'let's think it over'.

Some time would pass and Stalin would bring up the subject again".

(Strobe Talbott (Ed.): op. cit.; p. 251).

At this time, the name of Georgi Malenkov was not mentioned in connection with the 'Leningrad Affair':

"In his (Khrushchev's -- Ed.) secret speech of 1956, he did not mention Malenkov in this connection".

(Wolfgang Leonhard: op. cit.; p. 177).

But after Malenkov came to realise the true nature of the revisionist conspirators and was removed as USSR Prime Minister, secret internal Party documents began to accuse him of participating in the 'Leningrad Affair'.

In February 1955,

" . . . Malenkov had to resign as Prime Minister, and shortly afterwards an internal Party circujar openly accused Malenkov of sharing the responsibility for the 'Leningrad Affair'".  
(Wolfgang Leonhard: op. cit.; p. 176-77).

However,

" . . . it was not until July 1957, after the showdown with the 'Anti-Party Group' (Kaganovich\*, Molotov\*, Malenkov, etc. — Ed.) that Khrushchev asserted flatly 'Malenkov . . . was one of the chief organisers of the so-called 'Leningrad Case'".  
(Robert Conquest: op. cit.; p. 101).

Thus, 'blame' attributed by the revisionists for the 'miscarriage of justice' in the 'Leningrad Affair' was not based on any historical facts. It was shifted from one scapegoat to another according to the changing tactical needs of the revisionist conspirators.

It is of interest, however, to note that in his memoirs Khrushchev states that the 'Leningrad Affair' appeared to be 'a model of justice':

"The Leningrad case was a model of justice. It gave the impression of being handled in accordance with all proper judicial procedures. Investigators conducted the investigation, a prosecutor handled the prosecution, and a court trial was held. The active members of the Leningrad organisation were invited to observe when the accused were interrogated in the courtroom. Then the accused were given a chance to say something in their defence".  
(Strobe Talbott (Ed.): op. cit.; p. 256).

Khrushchev goes on to refer to Voznesensky's final plea in court:

"Voznesensky stood up and spewed hatred against Leningrad. . . . He said that Leningrad had already had its share of conspiracies; it had been subjected to all varieties of reactionary influence, from Biron\* to Zinoviev".  
(Strobe Talbott (Ed.): op. cit.; p. 256-57).

He expresses surprise that Kosygin escaped arrest:

"As for Kosygin, his life was hanging by a thread. Men who had been arrested and condemned in Leningrad made . . . accusations against him in their testimonies. . . . Kosygin was on shaky ground from the beginning because he was related by marriage to Kuznetzov. Even though he'd been very close to Stalin, Kosygin was suddenly released from all his posts and assigned to work in some ministry. The accusations against him cast such a dark shadow over him that I simply can't explain how he was saved from being eliminated along with the others. Kosygin, as they say, must have drawn a lucky lottery ticket".  
(Strobe Talbott (Ed.): op. cit.; p. 257).

In fact, Kosygin's escape from justice was due not so much to luck as to the intervention of Malenkov and Mikoyan, who testified (wrongly!) to Stalin that Kosygin was not involved in the conspiracy:

"Both Malenkov and Mikoyan assured Stalin that Kosygin was not party to the

collusion".

('Annual Obituary: 1980'; New York; 1981; p. 796).

And despite his anxiety to place the 'blame' for the 'Leningrad Affair' on others, Khrushchev declares:

"I admit that I may have signed the sentencing order".  
(Strobe Talbott (Ed.): op. cit.; p. 256).

POSTSCRIPT

BOTH VARGA AND VOZNESENSKY WERE REVISIONIST ECONOMISTS.

THEY WERE, HOWEVER, TREATED VERY DIFFERENTLY BY THE SOVIET STATE.

THE REASON IS THAT VARGA DID NOT CONTRAVENE SOVIET LAW, AND SO WAS MERELY CRITICISED AND DEMOTED, WHILE VOZNESENSKY COMMITTED SERIOUS OFFENCES AGAINST SOVIET LAW, WAS TRIED FOR TREASON, FOUND GUILTY AND EXECUTED.

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- : 'Annual Obituary: 1980'; New York; 1981.
- : 'Correspondence of the Central Committee of the Communist Party of Yugoslavia and the Central Committee of the All-Union Communist Party (Bolsheviks)'; Belgrade; 1948.
- : 'Current Digest of the Soviet Press'.
- : 'Keesing's Contemporary Archives'.
- : 'Political Archives of the Soviet Union'.

## BIOGRAPHICAL NOTES

### 1. VARGA

- DOMAR, Evsey D., Polish-born American economist (1914- ); to USA (1936); Assistant Professor of Political Economy (1948-55), Professor of Political Economy (1955-58), Ford Professor of Economics (1972-84), Ford Professor Emeritus (1984- ), Johns Hopkins University, Baltimore.
- KHRUSHCHEV, Nikita S., Soviet revisionist politician (1894-1971); First Moscow CP Secretary (1935-38, 1949-53); First Secretary, CP Ukraine (1938-47); Lt.-General (1945); Member, CPSU Politburo (1936-49); First Secretary, CPSU (1953-64); USSR Premier (1958-64); removed from all posts (1964).
- KRESTINSKY, Nikolay N., Soviet revisionist lawyer, diplomat and politician (1883-1938); RSFSR People's Commissar of Finance (1918-22); Ambassador to Germany (1922-1930); USSR Deputy People's Commissar of Foreign Affairs (1930-37); tried and convicted of treason and executed (1938).
- LASH, Joseph P., American journalist (1909-87); UN Correspondent, (1950-61), Assistant Editor (1961-66), 'New York Post'; free-lance writer (1966- ).
- MIKOYAN, Anastas I., Soviet (Armenian) revisionist politician (1895-1978); USSR Commissar of Trade (1926-30); USSR Commissar of Supply (1930-34); USSR Commissar of Food Industry (1934-38); USSR Commissar of Foreign Trade (1933-49); USSR Deputy Premier (1937-46); USSR Minister of Foreign Trade (1938-49); USSR Minister of Trade (1946-53); USSR President (1964-65).
- OSTROVITIANOV, Konstantin, Soviet revisionist economist (1892-1969); Director, Institute of Economics (1947-53); Editor, 'Problems of Economics' (1948-54); Vice-President, USSR Academy of Sciences (1953-62).
- TROTSKY, Leon, Soviet revisionist politician (1879-1940); RSFSR Commissar for Foreign Affairs (1917); RSFSR Commissar for War (1918-25); expelled from Party (1927); exiled (1929); to Mexico (1937); assassinated by disgruntled supporter (1940),
- VARGA, Jeno (Evgeny), Hungarian-born Soviet revisionist economist (1879-1964); Professor of Political Economy, University of Budapest (1918-19); People's Commissar of Finance, Hungarian Soviet government (1919); Chairman, Supreme Council of National Economy, Hungarian Soviet Government (1919-20); to Soviet Union (1920); Chairman, Institute of World Economy (1927-47); Director, Institute of World Economy and Politics (1927-47); relieved of posts (1947); rehabilitated by revisionists (1954).

## 2. VOZNESENSKY

- ABAKUMOV, Viktor S., Soviet Marxist-Leninist politician (1894-1964); USSR Minister of State Security (1950-51); judicially murdered by revisionists (1954).
- BERIA, Lavrenty P., Georgian-born Soviet Marxist-Leninist politician; 1st, Party Secretary, Georgia (1931-38); USSR Commissar of Internal Affairs (1938-45); member, State Defence Committee (1941-55); USSR Premier (1941); marshal (1945); USSR Deputy Premier (1953); judicially murdered by revisionists (1953).
- BIRON, Ernst J., German-born Russian adventurer (1690-1772); became lover of Russian Empress Anna Ivanovna (1727); to Russia as her grand chamberlain (1730); count (1730); regent of Russia (1740); arrested and deported (1740).
- CONQUEST, G. R. Robert A., British diplomat, poet and historian (1917- ); research fellow, London School of Economics (1956-58); literary editor, 'Spectator' (1962-63); senior fellow, Columbia University, New York (1964-65); fellow, Woodrow Wilson International Centre, Washington (1976-77); research fellow, Hoover Institute, Stanford. (1977-79, 1981-).
- DEDIJER, Vladimir, Yugoslav revisionist politician (1914-90); director of information (1949-50); Professor of Modern History, University of Belgrade (1954-55); expelled from LCY (1954); fellow, St. Anthony's College, Oxford (1962-63); research associate, Harvard University, (1963-64).
- DJILAS, Milovan, Yugoslav revisionist politician (1911- ); member, Politburo. CPY (1940-54); vice-president (1953-54); removed from all posts (1954); resigned from Party (1954); imprisoned (1956-61, 1962-66).
- DUHRING, K. Eugen, German idealist philosopher and economist (1833-1921).
- FEDOSEYEV, Petr N., Soviet revisionist philosopher (1908- ); researcher, Institute of Philosophy (1936-41); Chief Editor, 'Bolshevik' (1941-49); Chief Editor, 'Party Life' (1954-55); Director, Institute of Philosophy (1955-62); Academician (1960); Vice-President, USSR Academy of Sciences (1962-67, 1971-86); Director, Institute of Marxism-Leninism (1967-71).
- KAGANOVICH, Lazar M., Soviet Marxist-Leninist politician (1893-1991); Secretary, CP, Ukraine (1925-28); Secretary, CC., RCP (1928-30); Party Secretary, Moscow (1930-35); USSR Commissar of Transport (1935-37, 1939-40); USSR Commissar of Heavy Industry (1937-38); USSR Commissar of Fuel Industry (1939-41); Member, State Defence Committee (1942-43); Minister of Building Materials Industry (1946); Party Secretary, Ukraine (1947); USSR Deputy Premier (1947-52); expelled from Party (1962); manager, Sverdlovsk Cement Plant (1957-63).
- KAPUSTIN, Yakov F., Soviet revisionist politician (1904-50); 2nd Party Secretary, Leningrad (1945-49); found guilty of treason and executed (1950).
- KARDELJ, Edvard, Yugoslav revisionist politician (1910-79); Deputy Premier (1945-53); Minister of Foreign Affairs (1948-53); President, Federal Assembly (1963-67).
- KOSYGIN, Aleksey N., Soviet revisionist politician (1904-80); Mayor, Leningrad (1938-39); USSR Commissar of Textile Industry (1939-40); USSR Deputy Premier (1940-43); USSR Minister of Light Industry (1948-53); Member, Politburo, CC, CPSU (1948-52, 1960-80); USSR Minister of Industrial Consumer Goods (1953-54); USSR Deputy Premier (1953-64); USSR Premier (1964-80)
- KUZNETSOV, Aleksey A., Soviet revisionist politician (1905-50); major-general (1943); 1st Party Secretary, Leningrad (1945-49); Secretary, CC (1946-50); found guilty of treason and executed (1950).
- LAZUTIN, Pytor G., Soviet revisionist politician (1905-50); Party Secretary, Leningrad (1941-43); Deputy Party Secretary, Leningrad (1943-44); Deputy



Mayor, Leningrad (1944-46); Mayor, Leningrad (1946-49); found guilty of treason and executed (1951).

LEONHARD, Wolfgang, Austrian-born American historian (1921- ); radio presenter, Radio Moscow (1943-45); adviser to Communist Party of Germany /Socialiist Unity Party (1945-47); teacher, Karl Marx Party High School, German Democratic Republic (1947-49); senior resarch fellow, Columbia University, New York (1963- 64); professor of history, Yale University, New Haven (1966-87).

MALENKOV, Georgi M., Soviet Marxist-Leninist politician (1901-88); Member, State Defence Committee (1941-45); USSR Deputy Premier (1946-53); USSR Premier (1953-55); USSR Minister of Power Stations (1955-57); retired (1968),

MEEK, Ronald M., New Zealand-born economist (1917-78); lecturer in (1948-61), senior lecturer in (1961-63), professor of, economics, University of Leicester (1963-78).

McCAGG, William O., Junior. American historian (1930- ); assistant professor of history, Fairleigh Dick University, Rutherford (1962-64); assistant professor (1964-71), associate professor (1971-77), professor, of history, Michigan State University , East Lancing (1977- ).

McFARLANE, Bruce J., Australian economist (1936- ); senior lecturer, economic policy, Australian National University, Canberra (1963-72); reader in (1972-70), professor of, politics, University of Adelaide (1976- ).

MIKOYAN, Anastas, Armenian-born Soviet revisionist politician (1895-1978); USSR Commissar of Trade (1926-30); USSR Commissar of Supply (1930-34); USSR Commissar of Food Industry (1934-38); USSR Deputy Premier (1937-46), 1955-64); USSR Minister of Trade (1946-53); USSR President (1964-65).

MOLOTOV, Vyacheslav M., Soviet Marxist-Leninist polititian (1890-1986); member, Political Bureau/Presidium, CP (1926-52); USSR Premier (1930-41); USSR Deputy Premier (1941-57); member, State Defence Committee (1941-45); USSR Commissar/Minister of Foreign Affairs (1939-49, 1953-56); USSR Minister of State Control (1956-57); USSR Ambassador to Mongolia (1957-60); Soviet rep. on International Atomic Agency (1960-62); expelled from Party (1964); reinstated in Party (1984).

POPKOV, Pyotr S., Soviet revisionist politician (1903-50); Mayor, Leningrad (1939-46); 1st. Party Secretary, Leningrad (1946-49); found guilty of treason and executed (1951).

RODIONOV, Milhail I., Soviet revisionist politician (1907-50); Premier, RSFSR (1946-49); arrested (1949); found guilty of treason and executed (1950).

SHEPILOV, Dmitri T., Soviet revisionist politician (1905- ); Director, Agitation and Propaganda Dept., CC, CPSU (1948-52); Chief Editor, 'Pravda' (1953-56); Secretary, CC (1955-56, 1957); Minister of Foreign Affairs (1956-57).

SUSLOV, Milkhail A., Soviet revisionist politician (1908-82); Secretary, CC (1947-52); Director, Dept. of Agitation and Propaganda, CC, CPSU (1946-82); chief Soviet delegate to Cominform (1948-53); Chief Editor, 'Pravda' (1949-50); Member, Politburo, CC, CPSU (1952, 1955-82).

VOZNESENSKY, Aleksandr A., Soviet revisionist politician (1900-50); Rector, University of Leningrad (1944-48); Minister of Education, RSFSR (1946-49); found guilty of treason and executed (1950).

VOZNESENSKY, Nikolay A., Soviet revisionist economist (1903-51); Chairman, USSR State Planning Committee (1938-49); USSR Deputy Premier (1941-49); Academician (1943); Member, Politburo, CC, CPSU (1947-49); found guilty of treason and executed (1951).

WILES, Peter J. D. F., British economist (1919- ); professor of economics, Brandeis University, Waltham (USA)(1960-63); profeesor of Russian social and economic studies, London School of Economics (1965- ).

ZHDANOV, Andrey A, Soviet Marxist-Leninist politician (1896-1948); Party Secretary, Leningrad (1934-44); member, State Defence Committee (1941-44); colonel-general (1944); secretary, CC, CPSU (1944-48); murdered by revisionists (1948),

ZINOVIEV, Grigory Y., Soviet revisionist politician (1883-1936); Mayor, Leningrad (1918); President, Communist International (1919-26); expelled from Party (1926); readmitted, and re-expelled (1932, 1934); pleaded guilty to complicity in assassination of Kirov and executed (1936),