

that it is now more than ever necessary for Soviet officers and troops to pay increased attention to perfecting their military education. A typical article in *Red Fleet* on the 22nd May concludes that the great military experience acquired during the present war will make it possible to make the armed forces of the Soviet Socialist State even mightier. Soviet troops of occupation outside the Soviet Union are being told repeatedly that they must beware of all foreign influences around them and at the same time that upon their bearing and behaviour will depend the honour and prestige of the Soviet Union abroad. Finally, great emphasis is laid upon the necessity for increasing political education and orthodox party teaching in the armed forces at home and abroad.

8. The Soviet budget for 1945 as approved by the Supreme Soviet on the 27th April clearly indicates what the main features of the Government's internal policy are to be in the immediate future. Expenditure on the Commissariats of Defence and the Red navy is to be increased from last year's budget allocation of 126.4 milliard roubles to 137.9 milliard roubles, which equals the actual expenditure under this head for 1944. Capital investment is also up from the 29 milliard roubles in 1944 to 40.1 milliard roubles in 1945, and almost half of it is to be used for reconstruction and restoration work. In his budget speech, the Commissar for Finance told the Soviets that one of the most important construction tasks in 1945 was the restoration of heavy industry in the liberated areas, particularly in the south, and on the 18th May *Pravda* echoed him by informing its readers that to heal the wounds of war quickly meant concentrating on the speediest possible restoration of the Donbas. "The more fuel, metal and electricity we have," it wrote, "the quicker will be the work of the industries, which serve the everyday needs of the people." The budget estimates also make it clear that in 1945 the output of consumers' goods is to be substantially increased as compared with 1944, and that more attention is to be paid to housing, which is in great demand, particularly in the liberated areas and the new and expanding industrial regions of the Urals. But the Government is discouraging the people from believing that standards of living will improve quickly and automatically now that the war is over. As *Pravda* showed on the 19th May, they insist that the restoration of the liberated areas must come first, and improvement in living standards will follow in the process and as a result.

9. The immense self-confidence and sense of power with which the Soviet leaders and the Communist party are imbued is, however, somewhat paradoxically accompanied by suspicions and fears about the outside world and, in particular, about the policies of the major Allies of the Soviet Union. Many of these suspicions, in so far as they deal with Anglo-Saxon policy towards war criminals and alleged Anglo-Saxon tenderness to reactionary and Fascist elements not only in defeated Germany but also throughout Europe, are probably genuine enough. But there is also undoubtedly a determination that the glory and the advantages of what is regarded here as the Soviet victory over Germany shall not be shared to any undue extent with Allies who, in the Soviet view, have not suffered so much nor contributed so extensively to the victory. The result of all this has been a continuous Soviet propaganda campaign, first to play down and denigrate the great Anglo-American victories in the west, then to stir up suspicion in the Soviet people that these victories were the result of some underhand deal with the Nazi Government or with the German High Command. Even when Soviet self-confidence should have been completely restored by their own victories at Vienna and Berlin and when the Red army had joined hands with the Anglo-American forces halted on the Elbe, the news of the final armistice conversations leading up to the Rheims capitulation was so handled here that there was an impression in Moscow that General Eisenhower had made a separate peace in the west. Not until Soviet pride had been satisfied by the second signature of the armistice in Berlin were the Allies admitted to some share in the credit for the victory. But the weeks of suspicion, innuendo and misunderstandings which had preceded the armistice left their aftermath, and within a few days of its signature the Soviet press was once again in full voice attacking the Anglo-Saxon Powers for their alleged forbearance towards German militarists, industrialists and other reactionaries, and in particular for their tolerance of Admiral Doenitz and his Administration at Flensburg. On the 19th May the *Moscow News*, summing up articles which had appeared in all the Soviet papers, wrote that "a new word, a shameful and inglorious word, has now been introduced in the annals of the war. That word was 'Flensburg,' and it tarnished the victory we have won." The official paper *Izvestiya* on the 19th May referred to the alleged toleration of Doenitz and his followers in terms calculated to stir up in its readers the greatest