

N.A. VOZNESENSKY

(1 December 1903-30 September 1950)

A SOVIET COMMANDER OF THE ECONOMIC FRONT

Mark Harrison

NUMBER 242

**WARWICK ECONOMIC RESEARCH PAPERS**

DEPARTMENT OF ECONOMICS

UNIVERSITY OF WARWICK  
COVENTRY

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November 1983

This paper is circulated for discussion purposes only, and its contents should be considered preliminary.

## Early life

Nikolai Alekseevich Voznesensky was born on 1 December (18 November in the old style) 1903, the second son of a foreman's family. They lived near Chern', a small town of Tula province to the south of Moscow. Leaving full time education at fourteen, Nikolai found his first job in the year of revolution 1917, apprenticed as a carpenter to the local undertaker. At the first opportunity, however, he left to become a typesetter at a printing works.

Under the influence of family, friends and the atmosphere of historic events, Nikolai's education continued. In 1918 he made contact with the newly formed local organisation of the Bolshevik party. He became editor of a local newsheet and founding chairman of the local Communist youth league. He helped to organise home defence as Denikin's troops approached in 1919, and then to organise the collection of food supplies as the military threat receded and starvation loomed. Thus his native talents and upbringing were combined with events to direct his life into channels unprecedented for a working youth. Until now his direct experience had been bounded by the narrow limits of the town of his birth. Now he came to the attention of higher authority. He was selected for further education and party training. In the summer of 1921 he left Chern' for Moscow, to register at the Sverdlov Communist University. Not yet eighteen, he was admitted only by special permission of the party Central Committee.(1)

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1. For this and other details of his early life, see V.V. Kolotov's biographical memoir, Nikolai Alekseevich Voznesensky, 2nd ed., Moscow 1976. Kolotov was Voznesensky's personal secretary from 1938 to 1949.

In Moscow Voznesensky studied political economy and philosophy. He obtained a thorough grounding both in the classics of Marxism and in contemporary political realities. Coming into contact for the first time with the opposing currents and disputes of national political life, he showed himself to be a loyal adherent of the party line, unimpressed by the Workers' Opposition or by the Trotskyists.

Completing his course in 1924, Voznesensky was sent to Artemovsk in the coal-metallurgical region of the Donbass. Here he was engaged for a time in local party education and propaganda, but what he really wanted was a post in industry. Soon he was transferred to the nearby Enakievo metal works, with a labour force of four thousand, where he became full-time secretary of the party committee. Now he proved himself as a Bolshevik in the new, postrevolutionary mould: part visionary leader, part tireless administrator, capable of infinite pains, of endless attention to practicalities, unsparing of himself and of others, seeking justice combined with consideration towards his subordinates, attentive to the workers' grumbles and on guard against opposition, never losing an opportunity for self-enlightenment or for the persuasion of those around him, a serious young man with a tenor voice and a love of children - in short, a builder of 'socialism in a single country'.

In January 1928 he married Mariya Andreevna Litvinova, and later that same year he took her back to Moscow with him. Again he had been chosen for further training. In the autumn he entered the economics section of the Institute of Red Professors, once more the youngest of his group, for a course of advanced, independent study and research. The next three years were stirring times. Under the strains of forced, rapid industrialisation the New Economic Policy of a mixed economy and

partnership with the peasantry was breaking down. Stalin was emerging as undisputed leader of the country. Agriculture would be collectivised and a new economic system with much greater centralisation of authority would be forced into being. These were years in which society was turned upside down by the state, and radical experiments were pursued in a coercive atmosphere of utopian zeal. But such was the gap between grandiose plans and meagre realities that advance was often followed by retreat. Radical experiments could not be sustained, and were modified pragmatically or patched up with temporary expedients which somehow became built in as permanent features of the economic system.

Voznesensky studied at the Institute of Red Professors until the end of 1931, intending to remain thereafter as a full-time researcher. He began to write about the new Soviet economic system and problems of economic management and planning. How could the new, centralised system of authoritarian planning be made more effective, more adaptable to reality and more sensitive to its own results? This question, which arose directly from the experience of 1928 to 1931, provided the agenda for the rest of his life.

In the meantime, however, Voznesensky was not to remain a research economist. In early 1932 he was invited by Ya.E. Rudzutak, chairman of the party's Central Control Commission and commissar for the Workers' and Peasants' Inspectorate, to join his economic planning and statistics group. This work gave Voznesensky oversight of the nationwide apparatus for economic data collection and evaluation and for economic coordination. Distinguishing himself at his new post, Voznesensky was elected from the Seventeenth Party Congress in early 1934 to serve on the newly established Commission for Soviet Control. At some point he also came

to the notice of A.A. Zhdanov, appointed by Stalin to head the Leningrad party organisation after S.M. Kirov's assassination in December 1934. This resulted in Voznesensky's posting to Leningrad at the beginning of 1935 to take charge of the city's economic planning commission.

#### The economic analyst

In the early thirties Voznesensky had written a good deal about the Soviet economic system and its contemporary problems. His articles appeared regularly in the party's theoretical journal Bol'shevik, and he contributed occasional columns to the daily press.<sup>(2)</sup> These allow us to form some preliminary judgements about Voznesensky's intellectual preparation for work in economic planning.

Voznesensky's first essays appeared in the spring of 1931, in the wake of important economic events. Among these were the further acceleration of the rapid industrialisation programme in 1930, the extraordinary drive for 1930's fourth, 'special' quarter, and Stalin's February 1931 call to fulfil the First Five Year Plan in three years (i.e. during 1931 itself) in the main branches of heavy industry,

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2. Most of these are reprinted in N.A. Voznesensky, Izbrannyye proizvedeniya, Moscow 1979. The editors of this volume report that the texts are reproduced 'with minor deletions'. Comparison of the reproductions with the originals suggests that the deletions mainly eliminate references to Stalin, citations from Stalin's speeches and writings, and abuse of Stalin's opponents. A few more substantial deletions can also be detected. For example, in the case of the texts for 1931, original references to the immediate likelihood of a world revolution and the sectarian language of the Comintern's 'Third Period' have disappeared, along with some more vivid expressions of faith in the powers of dictatorial economic planning under Soviet conditions. Where possible reference is made below to original texts.

transport and construction. Over-ambitious investment plans had imposed huge economic strains. Side by side with rapid cost and price inflation, output expansion was faltering because the supply of basic industrial and agricultural goods was insufficient to complete and operate planned new capacities while continuing to meet existing economic commitments. Those most dedicated to rapid industrialisation at all costs had sought to resolve the tension by means of immediate transition to a moneyless economic system ruled solely by extra-economic coercion from above. By early 1931, however, the realities of resistance from below were already compelling a retreat from exclusive reliance upon rule by decree. In enterprise management, for example, the importance of economic incentives, financial disciplines and monetary cost and revenue calculations was being reasserted.

In 1931 Voznesensky emerged as a supporter of the new moderation in economic system-building. In May he contributed an article on the return to cost-accounting in enterprises after the USSR Sovnarkom decree of 30 March. Cost-accounting at lower levels, he argued, was an essential supplement to plan directives issued from above. The emergence of a cost-accounting methodology and practice marked, he wrote, the real 'transition from nationalisation and confiscation to socialisation' (of capital), since it set in motion the motivating forces of the socialist labour process - reward according to labour contributed, and economic discipline over the producers.(3)

In 1931, in common with even his most advanced colleagues,

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3. N. Voznesensky, 'Khozraschet i planirovanie na sovremennom etape', Bol'shevik no. 9, 1931, pp. 29-31.

Voznesensky saw the role and future of enterprise cost-accounting in a limited light. First, he drew an explicit contrast between existing systems of monetary accounting inherited from the past, and experimental 'socialist' (non-monetary) cost-accounting. Monetary accounting, prices and markets he considered alien to a fully socialist economic system; they arose under Soviet conditions only because of the persistence of an agrarian household sector. Monetary cost-accounting would be replaced by a non-monetary system as soon as the transition to socialism was complete.(4)

Secondly, the role of cost-accounting was limited by its position within the centralised system of authoritarian planning. Voznesensky regarded the purpose of cost-accounting not to provide the enterprise with a set of decision rules alternative to higher-level plan directives, nor to provide a check on plan directives from below, but to assist control of the economic unit from above, by the planning agencies - to ensure fulfilment of enterprise output targets at the minimum cost. In 1930 and 1931, he held, plan fulfilment had been damaged by inattentiveness of the basic economic units to production cost inflation and construction cost overruns. From this perspective, cost-accounting was seen as the discipline over the economic units required to enhance central authority and make it more effective.(5) Thus enterprise management problems were to be solved within a context of unquestioned authority of higher administrative levels. To this end Voznesensky reminded his readers that 'the socialist plan is an economic law of the Soviet economy, formulated by the proletarian

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4. Ibid., pp. 32-38.

5. Ibid., pp. 41-43.



state.'(6)

Voznesensky expanded on this theme in a double-length article of the following winter. In 1929 and 1930, along with the worst excesses of voluntarism in economic policy, Soviet science had witnessed a revival of the 'liquidationist' tradition according to which under socialism objective economic laws would be liquidated, and with them the need for a science of political economy to study these laws. The socialist economic system would be ruled by decrees, not governed by laws; the state's economic authority would be limitless and unrestrained and those wielding it could do anything they liked. The only constraints on their freedom of action would be the laws of physics and chemistry, not of economics. In his new article Voznesensky attacked the liquidationist concept of dictatorial authority, and reasserted the objectively law-governed character of the socialist economy.(7)

Within this framework, however, there was no retreat from the authoritarian message of his May article on cost-accounting; that is, Voznesensky sought to consolidate the authority of the economic plan and make it more effective by means of recognising its limits ('freedom is necessity recognised,' he had learnt as a young man in the years of civil war).(8) Authority, to be maintained, must recognise external constraints and abide by them. Unrestrained, lawless dictatorship could be neither tolerable nor viable.

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6. Ibid., p. 43.

7. N. Voznesensky, 'K voprosu ob ekonomike sotsializma', Bol'shevik no. 23-24, 1931, p. 34.

8. V.V. Kolotov, op. cit., p. 56.

In these first writings Voznesensky's insistence upon the law-governed character of the socialist economic system was largely negated by the lack of content which he could ascribe to the laws themselves. Firstly, the economic laws of socialism did not operate independently of human will, but were expressed directly in political decisions by the government on its programmes for electrification, industrialisation and the socialisation of agriculture.(9) Soviet life had witnessed 'a revolutionary transition from the epoch of elemental economic laws to the epoch of economic laws consciously enacted by the ruling proletariat.'(10) Secondly, what were these laws? Voznesensky named only the law of 'expanded reproduction of socialist productive relations', adding that: 'Socialist expanded reproduction is planned reproduction, and the laws of reproduction are planned laws of motion.'(11) In other words it was through economic plans that socialist economic laws would be recognised, expressed and ultimately realised in practice. To anticipate later developments, there was no hint here of the law of value as a socialist economic law, or of value as a limit on the plan. For Voznesensky repeated that the role of cost-accounting was auxiliary to the plan and that its money form, along with money itself, was a temporary expedient.(12)

In his 1931 approach to plan compilation and fulfilment Voznesensky adhered to the voluntaristic principles of dictatorial planning. The basic contradiction of the Soviet economy, he wrote, was that between

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9. Bol'shevik, no. 23-24, 1931, p. 38.
  10. Ibid., p. 40. This sentence is deleted from the article reproduced in N. Voznesensky, Izbrannye proizvedeniya, p. 70
  11. Bol'shevik, no. 23-24, 1931, p. 44.
  12. Ibid., pp. 37-38, 47-50.

its advanced needs and its backward productive forces.(13) It was this contradiction which set the priorities for plan compilation (i.e. the rapid designation and initiation of large-scale capital construction projects across the economy's basic sectors and regions). To illustrate the immediate tasks Voznesensky engaged in futuristic flights of technological extrapolation.(14) He agreed that pursuit of these goals could not be taken to imply resource mobilisation without limit,(15) but he rejected both of the potentially limiting methodologies available at the time. First of these was the mathematical models of economic growth pioneered by G.A. Fel'dman and N.A. Kovalevsky, condemned by Voznesensky for their conservative technological assumptions, pessimistic implications for household consumption and lack of a place for political mobilisation. Secondly, Voznesensky likewise rejected the theory of equilibrium economic growth put forward by N.I. Bukharin in 1928 and the associated use of material balances to expose objective 'bottlenecks' which would inevitably limit the rate of economic growth. In Voznesensky's view bottlenecks were to be seen as signposts indicating the line of attack, not as impassable frontiers. It was the plan (i.e. the target), not the balance, which was the 'leading principle'; the balance was 'only a lever of struggle for the plan.'(16)

As for the fulfilment of ambitious plan targets, Voznesensky echoed Stalin's words of a few months previously: plan fulfilment

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13. Ibid., p. 42.

14. N. Voznesensky, 'K voprosu ob ekonomike sotsializma', Bol'shevik no. 1-2, 1932, pp. 32-35.

15. Bol'shevik no. 23-24, 1931, p. 42.

16. Bol'shevik no. 1-2, 1932, pp. 39-42.

'depends only upon ourselves.'(17) In his comments on defects in fulfilment of quarterly plans in 1932, Voznesensky laid the blame on poor organisation.(18) He developed the theoretical basis for this in other essays of 1933 and 1934. The 'planned' character of the laws of expanded reproduction under socialism meant that inherited imbalances in the economy were being swiftly smoothed out, while new imbalances, crises or cyclical tendencies could not arise.(19) The whole purpose of economic policy was to exclude the possibility of such spontaneous trends.(20) Consequently, once this had been achieved, the only other ingredient necessary for correct problem solving was correct organisation. And it was still possible for inefficient bureaucracy to take a hand and operate to disrupt smooth resource mobilisation.(21)

Up to 1934, therefore, Voznesensky fell within the broad camp of Stalin's followers who believed that the fundamental problem of socialist planning was to administer correctly some economic laws which had already been discovered. In January 1934, however, at the Seventeenth Party Congress, Stalin himself considerably altered the parameters of official thought by reinstating money and trade at fixed prices as elements of a fully socialist economy.(22) Meanwhile

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17. Bol'shevik no. 23-24, 1931, p. 46: see also Joseph Stalin, Leninism, London 1940, p. 387 ('New Conditions - New Tasks').
  18. N. Voznesensky, 'Obespechim vypolnenie plana zavershayushchego goda pyatiletki', Pravda, 21 May 1934, reprinted in his Izbrannye proizvedeniya, pp. 141-144.
  19. N. Voznesensky, 'O sotsialisticheskom rasshirennom proizvodstve v pervoi pyatiletke', Bol'shevik no. 4, 1933, p. 49.
  20. N. Voznesensky, 'Diktatura proletariata i ekonomika sotsializma', Bol'shevik no. 20-21, 1933, pp. 94-95.
  21. N. Voznesensky, 'O perezhitkakh kapitalizma v ekonomike i soznanii lyudei', Pravda, 28 March 1934, reprinted in his Izbrannye proizvedeniya, pp. 269-270
  22. Joseph Stalin, op. cit., pp. 512-513 ('Report to the Seventeenth Congress of the C.P.S.U.(B.)')

Voznesensky was playing an increasing practical role in supervision of central planning. How did he, a participant at the congress, receive this revision? We do not know whether he had supported it beforehand, or merely after the event, or with what willingness. Nonetheless he soon became one of its most articulate theoretical exponents. His last major theoretical article on political economy appeared in 1935 at about the time of his transfer to Leningrad. Entitled 'On Soviet Money', it marked a considerable break with his earlier views.

Voznesensky now argued that money, although previously an instrument of bourgeois economics, had been adapted under Soviet conditions to the interests of socialism. It had been subjected to the authority of the economic plan, and could no longer be converted into private capital. Its role was to provide for accounting and distribution.(23) Part of this role arose from the need to organise exchange of products between socialist and non-socialist producers (chiefly collective farmers) through a market. But even in a completely socialised economy, money and prices would still play a role because they represented the only means of organising distribution among socialist producers, differentiated by accumulated skills and mechanical power as well as by natural advantages, according to labour contributed to society.(24) Voznesensky rejected the far-left idea that the distribution of reward could be organised directly, without the intervention of money, by measuring time actually spent at work and multiplying it by directly obtained skill coefficients to arrive at units of personal entitlement measured in terms of 'simple abstract' labour rather than roubles.

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23. N. Voznesensky, 'O sovetskikh den'gakh', Bol'shevik no. 2, 1935, pp. 33-34.

24. *Ibid.*, pp. 36-38.

The experiments in non-monetary cost-accounting which he had endorsed in 1931 were now a closed chapter.

Thus Voznesensky elaborated the new Stalinist formula. Money would retain its role until the transition to communism had unravelled all economic contradictions. Meanwhile the premature elimination of money would only drive commodity exchange underground, or result in administrative rationing of consumer goods with the attendant abuses seen in the years of the First Five Year Plan.(25) Instead, monetary levers ought to play all kinds of positive roles - encouraging the minimisation of enterprise costs, producers' responsiveness to consumers, and workers' willingness to work.(26)

The break with Voznesensky's views of 1931-1932 need not be exaggerated. His new views did not make him a market socialist. He stood for a proper and effective central administrative authority, not for administrative devolution or the wholesale replacement of administrative controls by economic ones. The market was to remain instrumental to the plan. The plan remained the 'economic law',(27) and the money economy was defined as an auxiliary tool to stimulate fulfilment of higher-level plan targets. Voznesensky retained the rationale for authoritarian rule ('Only when full communism is victorious can the state wither. But for the victory of communism we need a powerful Soviet state.').(28) However the limits on effective central authority

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25. Ibid., p. 39.

26. Ibid., pp. 39-43.

27. Ibid., p. 45.

28. N. Voznesensky, 'Gosudarstvo sotsialisticheskogo obshchestva', Leninskaya Pravda, 23 May 1936, reprinted in his Izbrannye proizvedeniya, p. 329.

were more clearly stated than before, and for the first time these limits were seen to be permanent features of a socialist economy.

#### The economic planner

Arriving in Leningrad, Voznesensky called his new team together. Having first asked for their views, he explained how he saw their job. From his point of view, he told them:

"... plan compilation is only the beginning of our work. Practice has shown that life itself will compel correction of any, even the most complete plan ... And correcting the plan by means of studying the real conditions for its fulfilment on the ground is our job, and no one else's ... "

'He paused.

"We weren't involved in that before," someone said.

"Let's make a deal," Voznesensky replied. "We won't go back over what you haven't done. We'll think about what we must do." (29)

In these phrases Voznesensky repeated, almost word for word, one of Stalin's more celebrated utterances.(30) But Stalin had uttered these words in June 1930, to defend his upward 'correction' of the already inflated targets of the First Five Year Plan. From 1930 to 1935 the formula lived on, but its meaning was changing with the economic context. In 1930 'studying the real conditions for plan fulfilment' had

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29. V.V. Kolotov, op. cit., p. 154.

30. 'Only bureaucrats can suppose that the work of planning finishes with the compilation of the plan. Plan compilation is only the beginning of planning. Real leadership in planning is developed only after compilation of the plan, after checking up on the ground in the course of plan fulfilment, correction and refinement.' I.V. Stalin, Sochineniya, v. 12, Moscow 1949, p. 347 ('Politicheskii otchet Tsentral'nogo Komiteta XVI s'ezdu VKP(b)').

meant persuading designers, managers and local bosses that it was in their interests to participate in the process of output target inflation. But in the next months and years the same phrase acquired another, unwanted significance: the accumulation of evidence of plan failure and the investigation of reasons contributing to it. During Voznesensky's tenure at Leningrad 'correcting the plan' was far more likely to mean a scaling down of excessive demands than upward revision, taking into account the clash between ambitious targets and restricted possibilities revealed in the course of plan implementation and fulfilment checks.

The evidence of his contemporaries points to Voznesensky's role in forcing the Leningrad planners into a more intimate relationship with economic reality. He himself was rarely at his desk - more usually he was to be found touring factories, inspecting building sites or checking whether the trams were running on time. He expected his staff to interest themselves likewise in the real conditions pertaining to their spheres of responsibility. A centralised apparatus must have its ear to the ground, its eyes everywhere, closely attentive to the opportunities revealed and difficulties encountered down below. Because Voznesensky knew this, and knew how to put it into practice, he made his apparatus the central repository of information, expertise and authority on the city's economic life. This not only expanded the role of the planning organs in executive decisions, but secured the basis for his own further advancement.

What happened to Voznesensky at the end of 1937 was conditioned by many factors, of which his personal qualities and record were only one. Deep economic and political processes were at work. On a nationwide



scale, under the strain of huge investment projects initiated between 1934 and 1936, economic expansion was slowing down. Overambitious planning was reflected in mounting evidence of plan failure. On top of the overcommitment of resources to capital construction was now added the unforeseen burden of accelerated rearmament. The economic slowdown which began in 1937 was in some ways less dramatic than in the case of the previous overinvestment crisis of 1931-1933, but it proved more intractable and more difficult to reverse.

At the same time, by 1937 the economic apparatus was undergoing a process of rapid fragmentation. At the centre of this process was the break-up of the administrative empires created by the first generation of Stalinist industrial commanders, especially Ordzhonikidze's commissariat for heavy industry. The first moves in this direction were coupled with the purging of Ordzhonikidze's subordinates, and contributed to his suicide in February 1937. Now the fragmentation process speeded up. The explanation given was that with the economy's growing complexity, increased differentiation and specialisation of the industrial branch, and larger numbers of large-scale plants, the old super-large bureaucracies could no longer keep in touch with realities at plant level. Centralisation had become more apparent than real.

An independent factor in this process was the purging of Soviet officialdom which reached its climax in 1937-1938. Breaking up administrative units, creating new offices and bringing in new cadres was a good way of undermining the position of thousands of existing industrial and government leaders at every level below the very top - before getting rid of them altogether. Disappointment with economic results and disillusionment with existing administrative empires contributed to the

process, of course. But the reign of terror also contained an independent dynamic which ensured that the fragmentation of administrative units and turnover of leading personnel proceeded far more rapidly than an orderly process of bureaucratic reform and recruitment might require.

The reorganisation of industry was supposed to result in smaller, more wieldy bureaucracies with a more effective grasp of shop-floor realities and shorter chains of command. But a larger number of smaller administrative units would also mean weaker central coordination of inter-industry supply, increasing the range of problems which each new commissariat would be unable to solve by itself. Greater responsibility than before would fall on the central coordinating agencies, especially USSR Gosplan (the State Planning Commission). But Gosplan itself was subject to the same destabilising processes as other organisations. During the thirties the central staff and local organs had grown rapidly and recruited widely, but employment in planning offered poor conditions and low status, so that there was already a background of rapid turnover of personnel. To this was now added disappointment with the results of economic planning. Between February 1937 and January 1938 the purges completely eliminated the core of Gosplan staff, requiring their wholesale renewal.(31)

At the end of 1937 Voznesensky was called to Moscow. He was made a deputy chairman of USSR Gosplan and on 19 January 1938 himself became Gosplan chief. He was only thirty four years old. He was the third person to hold this office in less than a year, and both his predecessors (V.I. Mezhlauk and G.I. Smirnov) had been arrested. His hold on

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31. On the Gosplan purge see Eugène Zaleski, Stalinist Planning for Economic Growth 1933-1952, London and Basingstoke 1980, pp. 50-51.

power must have felt fragile. The results of his promotion were more fruitful than anyone could have guessed from the inauspicious circumstances. Voznesensky was fortunate to belong to the new generation of Soviet leaders which, rising with dizzying rapidity into the posts vacated by the leading victims of the purges, had reached the top just as the wave of terror subsided. The members of this generation would have a unique opportunity to take hold of the means of power, restore their stability and effectiveness, and consolidate their personal regimes. Many of them did this with such success (this was the 'Brezhnev' generation of A.N. Kosygin, M.A. Suslov and D.F. Ustinov) that they would dominate Soviet politics for forty years and more.

What changes did Voznesensky introduce at Gosplan? It is easy to imagine a new broom sweeping the offices clean of obsolete rubbish, vigorously rationalising plan methodology.<sup>(32)</sup> In reality the appearance of a new regime was probably not so immediate. The malfunctions in planning in 1937 and 1938 were in many cases systemic, rather than the result of individual planners' styles of work, and the renewal of personnel could not have immediately caused planning to operate in a new way. Plan methodology developed significantly under Voznesensky's leadership, but the changes did not follow immediately and were surely not all the result of his personal initiative. Some must have been prepared under Mezhlauk or Smirnov, or on the initiative of higher authorities, and Voznesensky was responsible for implementing them. Other changes, more clearly the result of his personal initiative, took months and years to implement.

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32. This impression is conveyed by V.V. Kolotov, op. cit., pp. 167 ff.

The starting point was a new USSR Gosplan statute issued by the Sovnarkom on 2 February 1938, a fortnight after Voznesensky's appointment. It defined the primary tasks of planning as being to balance the economy around its goals (that is, rapid economic development and national defence), to coordinate its regions, industrial branches and basic economic units with these requirements, and to run fulfilment checks on the realisation of the corresponding economic plans.<sup>(33)</sup> This emphasis was in part a response to the alleged defects of Gosplan work in the recent past, under conditions of investment crisis and industrial stagnation. In a keynote article to mark his appointment, Voznesensky attacked the planners' past indifference to results which, he held, was one of the main causes of imbalances and disproportions in the economy. Arising unnoticed, they could spread unchecked through the system and throw the whole economy off course. 'Planning of the national economy,' he repeated, 'only begins with plan compilation.'<sup>(34)</sup>

The public tone of these remarks was disciplinarian; that is, the indiscipline of plan officials and the failure of their lines of information and command were held responsible for plan failure. Voznesensky did not blame the highest levels of political leadership for placing exaggerated demands on the economy, for putting Gosplan staff under intolerable pressures, or for discouraging initiative and commitment through repeated, murderous purges. He did not criticise existing procedures for fixing targets or advocate a new plan methodology. His main demand was for greater strictness in checking up on

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33. Upravlenie narodnym khozyaistvom SSSR 1917-1940 gg.. Sbornik dokumentov, Moscow 1968, pp. 214-216.

34. N. Voznesensky, 'K itogam sotsialisticheskogo vozproizvodstva vo vtoroi pyatiletke', Bol'shevik no. 2, 1938, pp. 14-16.

plan fulfilment, in order to allow quicker reaction to shortfalls, to avert the worst consequences of unplanned deficits and to hold the economy, regardless, to its main priorities of capital construction and rearmament. This perspective could scarcely be distinguished from Jack Miller's observation at the time that Gosplan operated not a coherent planning system but a system for defending state priorities against the effects of inevitable plan failure.<sup>(35)</sup> At first sight Voznesensky was only seeking to shore up the defences.

However the substance of the changes which he introduced necessarily went beyond this, because they were designed to improve the information reaching the centre about economic conditions in the factories and localities, and enhanced the central planners' understanding of the real difficulties encountered by ordinary people in the course of their trying to implement central plans.

Under Voznesensky USSR Gosplan's organisation and plan methodology were extensively rationalised. Fulfilment checks were given higher priority, were run more actively and frequently, and were analysed in greater depth. Eventually output fulfilment indicators were themselves refined and reformed, and new central controls over investment project design, construction and completion were initiated. Emergency steps to enhance USSR Gosplan's oversight of lower-level planning boards, regional plans and plan fulfilment 'on the ground' gave rise to a new permanent institution - a network of local USSR Gosplan agents, vested with personal authority, bypassing the formal chains of industrial management and local government and responsible directly to the central

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35. Jack Miller, 'Soviet Planners in 1936-37', in Jane Degras and Alec Nove, eds., Soviet Planning: Essays in Honour of Naum Jasny, Oxford 1964, p. 120.

office. Corresponding to this innovation was elaboration of the internal structure and methodology of the central organs to improve the regional dimension of planning. Meanwhile USSR Gosplan acquired extra responsibilities for planning labour recruitment to industry and compiling supply balances for industrial materials and equipment.(36)

Two aspects of change show the influence of Voznesensky at his most reform-minded and innovative. These were the development of the 'balance of the national economy' and of long-term economic planning. Behind the 'balance of the national economy' lay the concept of the macroeconomy as an equilibrium system. The term 'equilibrium' is used here not in the sense of a tendency towards a long-run steady-state general equilibrium, for all Stalinist economists rejected this notion as inappropriate to a developing socialist economy; but in the narrower sense of a 'temporary' macroeconomic equilibrium secured subject to constraints. The 'balance of the national economy' meant a unified set of accounts showing the interrelatedness of gross and net production, input stocks and flows, factor incomes, intermediate and final demands and financial flows disaggregated by the industrial branch, the type of economic unit and its social form. Implicit within this framework was definition of the task of economic planning to secure an appropriate balance both within the centrally administered economy, and between the latter and the market sphere. This required recognition both of the impact of centrally planned supplies and factor requirements upon the money economy, and of the latter's role as an element in the overall macroeconomic equilibrium. Work upon such balances was therefore, in economic planning, the most important practical expression of the socialist economic system's

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36. This paragraph summarises research contained in Chapter One of my as yet unpublished The Soviet Economy at War.

law-governed character.

A plan methodology based on the 'balance of the national economy' could easily clash with the management system based on setting ambitious targets in key sectors and then defending them regardless of the costs incurred elsewhere. Thus such balances tended to be thrown out of the window when economic mobilisation was in the air, but reinstated once the costs of mobilisation had breached social tolerance limits. After the excesses of 1929-1930, practical work on the 'balance of the national economy' had played a role in moderating successive drafts of the Second Five Year Plan, but was virtually suspended between 1933 and 1936. In fact this retreat became an issue in the 1937 purge of statisticians.(37) Credit for the renewal of practical work within Gosplan in 1938 is due, apparently, to Voznesensky personally.(38) Gosplan produced a new set of balances in 1939, and the accounting scheme used then remained the basis for this kind of work for the next three decades. Systematic work also began on the use of these balances in operational planning.(39) In an article in honour of Stalin's sixtieth birthday at the end of 1939, Voznesensky made reinstatement of the 'balance of the national economy' explicit, stressing the priority of balance over sectoral targets in the plan compilation process.(40)

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37. See 'The Balance of the National Economy: a brief history' in R.W. Davies and S.G. Wheatcroft, eds., Materials for the Balance of the National Economy, 1930-1932, Cambridge, forthcoming.
38. G.M. Sorokin, 'Vydayushchiysya deyatel' kommunisticheskoi partii i ekonomicheskoi nauki (K 60-letiyu so dnya rozhdeniya N.A. Voznesenskogo)', Voprosy ekonomiki no. 12, 1963, p. 151.
39. Po edinomu planu, Moscow 1971, pp. 75-76.
40. N. Voznesensky, 'Tri stalinskie pyatiletki stroitel'stva sotsializma', Bol'shevik no. 1, 1940, p. 84. This article, with its fulsome praise of Stalin on every page, is completely omitted from Voznesensky's Izbrannye proizvedeniya.

The other field where Voznesensky's personal initiative was most visible was long-term planning. Central to building 'socialism in a single country' was a concept of scientific and technical revolution and its place in transforming society. Where Lenin spoke of communism as 'Soviet power plus electrification of the whole country', Voznesensky had imagined million-kilowatt power grids carrying current over a thousand kilometres at 400 thousand volts.(41) The technological preconditions of a communist society remained his lifelong preoccupation. But in his position as head of economic planning, Voznesensky could see clearly the damage done to the economy's inner balances by unrestrained enthusiasm for large-scale projects and new technologies. The scientific and technical revolution of the twentieth century could not be realised all at once. Now he had the opportunity to work out a practical methodology for planning its introduction within the economy's resource limits and over a definite time span.

Voznesensky made his move, apparently, in his speech to the Eighteenth Party Congress in March 1959. He told the delegates that the task of 'completion of building a communist society and of transition to communism, the task of catching up and overtaking the advanced capitalist countries in economic terms' went beyond the scope of the Third Five Year Plan, and he called for a General Plan embracing these tasks within several five year periods.(42) According to his biographer these proposals were met with a deafening silence, since they had not been endorsed beforehand by Stalin.(43) After the congress

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41. This vision was realised in the Soviet Union at the end of the fifties; see V.V. Kolotov, op. cit., p. 113.

42. N. Voznesensky, Izbrannye proizvedeniya, p. 372.

43. V. Kolotov, 'Predsedatel' Gosplana', Literaturnaya gazeta, 30 November 1963.



Voznesensky ordered the work to go ahead, although it had not yet received official approval. Experts were assembled, projections drawn up and a 'balance of the national economy for the period of transition from socialism to communism' compiled. But Voznesensky had to wait until September 1940 for a telephone call from Stalin authorising him to make his proposals in detail, and permission to go ahead with the drafting of a fifteen year plan for 1943-1957 arrived at Gosplan only on 7 February 1941.(44)

Thus the changes introduced by Voznesensky in the prewar years were primarily designed to improve and rationalise the existing, centralised system of authoritarian planning by making it more internally consistent and sensitive to external realities. Under his leadership economic planning became more centralised, in the sense that the fields of authority of USSR Gosplan were drawn both more widely and in greater detail. Did this authority become more effective? There was no sudden improvement in the economic situation. The Third Five Year Plan was redrafted, then revised again in the light of initial disappointments; the annual plans for 1938-1940 wandered off course, were adjusted downwards below the expansion path implied by Five Year Plan goals, and were still underfulfilled. The economy staggered under unforeseen burdens arising from accelerated rearmament and the 'winter war' with Finland at the end of 1939. Gosplan staff had to wage an

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44. On the General Plan see A. Zalkind and B. Miroshnichenko, 'Iz opyta Gosplana SSSR po podgotovke dolgosrochnykh planov', Planovoe khozyaistvo no. 4, 1973. Mildly contradictory accounts of the decision making process are found in Literaturnaya gazeta, 30 November 1963 and in Kolotov's Nikolai Alekseevich Voznesensky, pp. 224-233 - the latter account being much longer but not in every respect more comprehensive or revealing.

unremitting struggle for investment discipline and output mobilisation. Nor did the problems of plan methodology and practice disappear. In late 1940 and early 1941 complaints were voiced that plan fulfilment checks remained insufficiently detailed and stringent. Only late in 1940, with a crash programme for iron and steel and an emergency mobilisation of the industrial workforce under way, was rapid industrial growth resumed.

Talking to students in 1939, Voznesensky described his aim as steering a course between two evils. 'In planning,' he said,

'one mustn't be bound by over-cautious forecasts, but it's dangerous to become caught up in investment mania ... Under cover of "revolutionary" phrases bureaucrats are drawn from planning into investment mania, which disrupts the national economy. Bureaucratic overenthusiasm in planning is no less harmful than the opportunistic plan which conceals reserves in the national economy and sabotages Bolshevik growth rates of socialist production ... '(45)

Steering this middle course was, no doubt, an inherently frustrating process. Each new injection of realism into the planning process tended to throw up new problems for evaluation and analysis, new demands for information, new decisions to implement and follow through. There was a circular logic in the rationalisation process in which each addition to the planners' informational, logical and decision-making capacities stimulated new demands upon their competence. Nonetheless we receive the impression that by the spring of 1941 a definite stage had been reached; a feeling of accomplishment was in the air.

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45. V.V. Kolotov, op. cit., p. 208.

Meanwhile Voznesensky's star continued to rise. At the Eighteenth Party Congress in March 1939 he had been elected to the Central Committee. Already a member of the USSR Sovnarkom and of its Economic Council in his capacity as Gosplan chief, at the end of May he was appointed one of V.M. Molotov's deputies as Sovnarkom chairman (prime minister). In April 1940, when the powers and apparatus of the Economic Council were considerably expanded, he became chairman of its new defence industry subcommittee. In February 1941 he delivered the main economic report to the Eighteenth Party Conference, where he was able to point to the quickening tempo of industrial mobilisation.(46) At the same time he was made a candidate Politburo member. Shortly afterwards, on 10 March 1941, he was promoted to first deputy of the Sovnarkom chairman and head of the Economic Council.(47) At this time he was released from Gosplan, where the leadership was assumed by his deputy M.Z. Saburov. But there was no change of direction in economic planning, and Voznesensky remained the recognised leader in economic affairs. To mark the occasion, however, on 21 March 1941 a new Gosplan statute redefined the functions of the planning organs and their relationship to the government apparatus.(48) These new codes did not release new waves of reforming energy. Rather the impression is given that the reorganised planning system was being validated and confirmed. While Voznesensky retained overall responsibility, day-to-day affairs had been handed over to his subordinates with the instruction that the system was once more operational, not to be disturbed by further, gratuitous alteration.

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46. N. Voznesensky, Economic Results of the USSR in 1940 and the Plan of National Economic Development for 1941, Moscow 1941, p. 11.

47. On Voznesensky's government appointments see my Composition of the USSR Council of People's Commissars 1938-1945, Birmingham SIPS (forthcoming)

## The wartime leader

It was Voznesensky who roused the leaders of industry from their beds at dawn on the first morning of the war. At 9 a.m. on 22 June 1941, aircraft industry commissar A.I. Shakhurin attended a meeting at USSR Gosplan. Later he recalled that:

'Voznesensky, normally a rather serious person, was at that moment especially intense. Indeed we had all been powerfully changed in the course of those few hours of the morning. Knowing that war was inevitable, anticipating it, each person had inwardly put off the outbreak of war to some future moment of their own choosing. We aircraft builders still needed, at a minimum, another six months to fill the military's need for new planes, as did the air force to train new pilots. How much time was still needed by Voznesensky as deputy prime minister and Gosplan leader is hard for me to say.'(49)

Even in this view ('If only Hitler had waited till we were ready for him') there is still an element of complacency. For even had the Soviet defenders possessed more equipment, higher alertness and more accurate knowledge of the enemy's intentions, the German assault would still have cost them far more than Soviet plans of 1941 envisaged. Soviet underestimation of the likely costs of total war with Germany played a substantial part in the following events. One result, in the first months of fighting, was a near-fatal gap between plans and realities. On one side the real needs of defence turned out to be consistently greater than those anticipated. On the other the economy's ability to supply them fell consistently below what had been assumed.

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48. G.A. Ivanov and A.Sh. Pribluda, Planovye organy v SSSR, Moscow 1967, p. 38.

49. A.I. Shakhurin, 'Aviatsionnaya promyshlennost' v gody Velikoi Otechestvennoi voiny (Iz vospominanii narkoma)', Voprosy istorii no. 3, 1975, p. 134.

The task of responding to this emergency was almost beyond Soviet capabilities. It could barely be handled within existing channels of civil and military command. Thus within a short period of time several monthly, quarterly and even longer-term wartime economic plans had been drafted and approved, but some time passed before they acquired any operational significance. For example the new plan for the third quarter of 1941, adopted on 30 June, was obsolete within a few days. Projected increases in arms production were already insufficient to make good initial military losses, while the industrial capacity required to achieve them was already being decommissioned as a result of enemy action. The famous economic feats of 1941-1942 - the evacuation of war industries to the interior, and the conversion of the economy to a war footing - did not take place within a framework of overall plans for economy-wide coordination laid down in advance, but were themselves the decisive initiatives which would almost accidentally determine the extent of fulfilment of the economic plans being compiled independently within Gosplan.

In the first months of the war the locus of economic authority shifted away from the planning system. It resided above all in Stalin's war cabinet, the GKO (State Defence Committee), established on 30 June 1941. The nature of this authority was personal and dictatorial, unrestrained by laws. Stalin himself, as prime minister and supreme C-in-C of the armed forces, watched over strategy and diplomacy. Other GKO members were charged with individual responsibility for the key branches of war industry and transport. Their job was to draft crash programmes for the emergency mobilisation of their sectors, and to implement the speedy conversion of resources to wartime needs, taking whatever measures were deemed necessary to bring this about. At this

time the coordinating and balancing functions of economic planning took a back seat. Gosplan's task, being that of reconciling the impossible with the non-existent, was one which no one could do well, and at first perhaps few noticed whether it was done at all.

Voznesensky himself was not appointed to the GKO at the outset (he became a full member only on 3 February 1942). All the same he participated in the top leadership from the start. He was involved in all meetings where sectoral expansion programmes and economy-wide coordination were under discussion. In addition he was allocated personal responsibility for the ammunition industry. There are conflicting accounts of his success in this field. According to Red Army Quartermaster General A.V. Khrulev the industry's targets were set without regard to wartime disruption, and seemingly modest projections turned out to be infeasible. The July 1941 plan (one million shells) was undershot by 20 per cent, the August plan (two million shells) by 70 per cent - an absolute decline - and the September plan (three million shells) was also not fulfilled. The commissars concerned 'reported that they were receiving plans known in advance to be unrealistic.' Responsibility for the industry was taken from Voznesensky and given to someone else.(50) On the other hand P.N. Goremykin, at that time ammunition industry commissar, records his appreciation of Voznesensky's 'immense and creative work' in this field.(51)

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50. A.V. Khrulev, 'Stanovlenie strategicheskogo tyla v Velikoi Otechestvennoi voine', Voенно-istoricheskii zhurnal no. 6, 1961, p. 66.

51. P.N. Goremykin, 'O proizvodstve voорuzheniya i боеприпасов', in Sovetskii tyl v Velikoi Otechestvennoi voine, vol. 2, Moscow 1974, p. 122.

But even when plans were fulfilled there could be no satisfaction, as the following conversation suggests:

"Tomorrow we'll go to the Klimov engineering works," Voznesensky said one day to an ammunition expert.

"To the Klimov works?" the latter expressed surprise. "Surely the factory is fulfilling its plan?"

"The front won't take our plans into account," Voznesensky replied. "A soldier fires a mortar shell to fit the combat situation, not the shell production plan ... "(52)

Early recognition of the defects of first wartime economic plans is reflected in the GKO decision of 4 July 1941 to commission a new plan for economic mobilisation in the medium term, to be based only on the industries of the interior free from military threat, and the assets which would be relocated there from the regions subject to evacuation. In line with the personalised character of leadership responsibilities at this stage, a small group led by Voznesensky in person was charged with the work of plan compilation. The plan eventually covered the Volga and Ural regions, Western Siberia, Kazakhstan and Central Asia for the fourth quarter of 1941 and for 1942. It was approved on 16 August and took effect on 1 October.

This plan was launched in part as an act of faith. For the emergency atmosphere was reaching a climax. Leningrad was already under siege, and the first battle of Moscow had just begun. In the streets of the capital law and order were temporarily in abeyance. On 16 October Voznesensky and his secretariat were evacuated from Moscow along with much of the civil government apparatus and the foreign

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52. V.V. Kolotov, op. cit., p. 267.

embassies, their destination - Kuibyshev. On 25 October Voznesensky was appointed representative of the Sovnarkom in Kuibyshev, with special responsibility for direction of the war economy being created in the Urals and beyond. He remained there until the end of November, returning to Moscow when the greatest danger had been averted.

For Voznesensky these were days and nights of unremitting labour. Working round the clock, showing all the outward signs of physical exhaustion, he was evidently able to call upon formidable reserves of mental energy, retaining clarity and decisiveness of thought and speech. Former Gosplan deputy chairman A.P. Kovalev later recalled the finale of an all-night session in Voznesensky's Kremlin office in the following terms:

'Glancing at Kovalev just as the latter was once more "switching off", Nikolai Alekseevich turned to the clock and exclaimed ... It was morning already ...

"I'm sorry I left you without sleep," said Voznesensky and, turning to Kovalev, he smiled: "Well, never mind ... We shall put it right. Go home to sleep. I'll wake you ... "

'Kovalev managed to sleep for just an hour.

'At nine in the morning a telephone call awoke him.

"Have you slept well?" asked Voznesensky.

'Kovalev, who had not yet come to his senses, looked at the clock and could not work out for how long he had been asleep. When he had understood he asked:

"What about you?"

"Me? How should I say ... I didn't lie down. I had a shower." And Voznesensky laughed apologetically. "It's a complete substitute for sleep! I recommend it." And then he added, more seriously: "I need you, Aleksei Petrovich. Come over ... "(53)



Voznesensky's biographer records this anecdote, along with others, to illustrate also his attitude to his subordinates - an attitude of firm and directive leadership, based on personal example and tempered by human concern for others.

In the first stage of the war, where decisions of supreme importance were involved, Voznesensky's influence was not yet decisive. For example, on 5 January 1942 Stalin convened a discussion at the General Headquarters on the draft plan for a general offensive along the full length of the front, to be mounted as quickly as possible. It was opposed by Marshal G.K. Zhukov together with Voznesensky who was also present. Zhukov preferred a more limited offensive confined to the western theatre, on military grounds. Voznesensky agreed that a general offensive was premature from the point of view of military supply. But Stalin, who had already made his mind up, overruled them both.(54) The general offensive went ahead but petered out in March, having exhausted available reserves of manpower and equipment.

During 1942 centralised economic planning became more and more important. Forced mobilisation for the war effort by decrees and emergency measures could save defence plants from capture and military supply from collapse, but it could not provide the basis for 'an efficient and rapidly expanding war economy'.(55) Indeed by the autumn of 1941 the key non-defence sectors including steel, coal and

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54. G.K. Zhukov, The Memoirs of Marshal Zhukov, London 1971, pp. 352-353.

55. This phrase was first used by Stalin in a famous speech in November 1943. See Joseph Stalin, The Great Patriotic War of the Soviet Union, New York 1945, p. 97.

oil, electricity, engineering, agriculture and transport were in a shambles. Even the mobilisation of defence capacity could not be sustained while the output of basic industrial and agricultural goods slid faster and faster downhill. This was sharply revealed at the beginning of 1942 with the failure of the Soviet general offensive. Economic balance and coordination had ceased to be a luxury and had become a necessity once more.

The process of wartime restoration of economic planning was prolonged and difficult. It began in the autumn of 1941 with the programme to relocate evacuated war industries in the interior, and the resulting life-or-death struggle to rebalance the whole economy of the interior regions around new priorities. It continued until the spring of 1943 when, with Stalingrad's guarantee that the war could no longer be lost, economic mobilisation reached its peak. In between lay months of effort and frustration. Monthly and quarterly plans for defence output, engineering and the basic industries were regularly drafted and launched, but were just as regularly doomed in advance to failure. They were systematically overtaken by failures of ignorance and data evaluation, unforeseen developments at the front, and overriding panic measures and emergency programmes to protect rapidly changing priorities of the moment.

In spite of these defects in the planning process, the planning organs played a more and more important role in economic administration. The role of Voznesensky, now a full GKO member, also grew. In the initial months of war the sole priority had been guns, shells, tanks and aircraft in as large numbers as possible, and there were few measures for economy-wide coordination of operational significance.

Now, with the progress of economic mobilisation, all the capacity of the engineering and basic industries, construction, transport and agriculture were eventually designated for 'top priority' war needs. The top priorities themselves had to be redefined and ranked, input balances reworked and the relationship between all the stages of production and utilisation brought into a new equilibrium. This was beyond the scope of dictatorial leaders and mobilisation by decree. Only a competent planning authority could succeed. At this stage, of course, there was no attempt to bring the overall dimensions of mobilisation within a new, worked-out 'balance of the national economy' for wartime. Measures of economic coordination remained crude, empirical and crisis-oriented. Nonetheless it was Voznesensky and the economic planners who were now responding to successive crises, drafting proposals for intervention and acting to restore sectoral balance.(56)

On 8 December 1942 Voznesensky was reappointed head of USSR Gosplan.(57) On the same date the GKO established an Operations Bureau (the membership of which is not known) to tighten coordination of military supply needs with the economy. The impression is received of a shift in administrative relationships, a move away from personal leadership in the economy by GKO members endowed with arbitrary powers towards a more institutionalised system based on collective agencies

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56. For examples of Voznesensky's role in 1942 see V.V. Kolotov, *op. cit.*, pp. 266-267.

57. Thus it was from this position that Voznesensky drafted the measures to resolve the steel, fuel and transport crisis of the winter of 1942 (see *ibid.*, p. 279). For some reason (perhaps because Saburov belonged to the 1957 'anti-party group') Voznesensky's leave from Gosplan in 1941-1942 is not usually mentioned by Soviet historians, and the date given here is based on personal information.

and law-governed administration. After this winter the flow of panic measures dried up, and the atmosphere of emergency thinned out. The economy as a whole was now more centralised, more disciplined and mobilised than ever before. At the centre stood USSR Gosplan and Voznesensky.

Between 1943 and 1945 the war remained the first call on the Soviet economy's resources, but with recovery from the worst consequences of invasion the degree of economic mobilisation was allowed to slacken. The return to peacetime perspectives dominated economic planning to an increasing extent. The work of drafting a first plan for reconstruction of the Soviet territories so far liberated from the invader was initiated within Gosplan at the end of January 1943. In February a new Gosplan department for reconstruction planning was created, corresponding to a new Sovnarkom subcommittee for economic reconstruction which was headed by Voznesensky himself. By taking account of the disastrous condition of the liberated population, reconstruction planning gave new weight to civilian goals. It also forced new time horizons onto economic planning as a whole, because the issues of capital rebuilding could not be sensibly resolved without taking account of the likely shape of postwar life.

At first, reconstruction planning was confined to a series of regional and sectoral plans covering up to five years, adopted in 1943 and 1944. Over time, as fighting receded from Soviet territory, the work of reconstruction planning blended into that of planning for the economy as a whole. There was a premature attempt to combine them in a new Five Year Plan for 1943-1947 which went through several drafts and was finally abandoned in the late summer of 1944. At the

same time the needs of reconstruction and the approaching return to peacetime norms stimulated other, more fruitful developments in plan methodology. From this point of view the years 1943-1945 saw several parallels with the previous period of crisis resolution in 1938-1940, and of course in both periods Voznesensky was directly in charge.

Thus, much emphasis was laid on tightening plan disciplines over economic units through improving high-level knowledge of conditions 'on the ground' and enforcing targets through comprehensive fulfilment checks. Better material supply statistics and more accurate, detailed balances for materials and equipment were an essential part of the process. New controls on economic units were fostered through 'technological planning', a field in which Voznesensky took a close personal interest. Technological planning was intended both to stimulate new reconstruction projects, and to encourage process innovation through enforcement of economies on existing input users. As before the war, the disciplinarian approach was combined with renewed work on the 'balance of the national economy'. Already in 1942 work had begun on wartime national income accounts and relationships. Another subsequent line of research followed up the wartime relationship between the planned economy and the market sphere, by analysing the flow of funds between enterprises, worker households and collective farm households.(58)

As a wartime leader Voznesensky's stature continued to grow. For example in the latter part of 1942 he came up against General L.Z. Mekhlis, commissar for State Control, chief of the Red Army general

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58. This discussion of economic planning in 1943-1945 summarises ... research contained in Chapter Four of my unpublished The Soviet Economy at War.

political administration, architect of the murderous Red Army purge of 1937 and Stalin's protégé. Mekhlis was attempting to launch a new purge of industry by means of tireless promotion of investigations of alleged economic misconduct. (by November 1942 one rubber factory had suffered more than twenty investigations in a few months). Voznesensky and Saburov signed a protest, (59) and Mekhlis suffered a slap on the wrist - a tighter redefinition of his powers by the Sovnarkom.

Voznesensky's personal authority was sufficient to enable him not just to compete with such second-rank figures as Mekhlis, but to stand his ground at the very top, where decisions of national importance were at stake. This is how he was remembered at this time by Marshal A.I. Vasilevsky:

'Naturally, in the Politburo different opinions would emerge about the possibilities of production to supply the requirements of the General Staff. Different proposals would be moved. Most authoritative was the word of GKO member and USSR Gosplan chairman N.A. Voznesensky. He not infrequently disagreed with Stalin's view and that of other Politburo members, and would indicate precisely the quantity of material and technical means which industry could yield for the operation under review. His opinion would be decisive.' (60)

Voznesensky may be convincingly portrayed as a figure who stood for moderation in wartime economic policy. He understood well that economic mobilisation for war could not proceed without limit, that even in wartime economic life retained its law-governed character and

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59. This document, dated 10 November 1942, provides the sole published confirmation that Voznesensky had not yet been reappointed Gosplan chief, since Saburov signed it in that capacity, and Voznesensky as deputy Sovnarkom chairman. See V.I. Arsen'ev, O nekotorykh izmeneniyakh v organizatsii upravleniya voennoi ekonomiki v pervyi period Velikoi Otechestvennoi voiny, Moscow 1972, pp. 28-29.

that the restoration of economic balance remained a necessary condition for a sustained economic mobilisation. Nonetheless it cannot be assumed that he stood for moderation in all things. As a GKO member he shared collective responsibility for a number of repressive acts in wartime, and more than one crime against humanity, for example the mass deportation of Volga Germans, Crimean Tatars and other small nationalities from their national territories. In the case of the Chechen and Ingush peoples of the North Caucasus, émigré testimony holds that Voznesensky was in the minority when the decision was taken at a joint meeting of the GKO and Politburo on 11 February 1943, but this was because he argued that the deportations should be carried out immediately and openly, not secretly and with some delay.(61)

#### The rival

Postwar economic policy under Voznesensky followed by now familiar lines. The ambitious Fourth Five Year Plan for national economic development up to 1950 was combined with a number of measures to improve the effectiveness of the centralised system of authoritarian planning. The Five Year Plan itself was based on comparatively detailed national income balances for the whole plan period, compiled in the second half of 1945.(62) A number of supplementary measures were designed to rationalise the relationship between the planned economy

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60. V.V. Kolotov, op. cit., p. 286.

61. Cited by Roy Medvedev, All Stalin's Men, Oxford 1983, p. 44.

62. B. Braginsky, 'Planovaya sistema v pervoi poslevoennoi pyatiletke (1946-1950 gody)', Planovoe khozyaistvo no. 1, 1971, p. 71.

and the market sphere. For example in a speech to the USSR Supreme Soviet in March 1946 Voznesensky referred to the utilisation of the law of value in economic planning in order to further develop socialist production, and called for a more powerful role for 'economic levers in the organisation of production and distribution such as price, money, credit, profit, incentive.'(63) In line with this commitment steps were undertaken to counteract inflationary pressures and restore financial disciplines.

The most important measures with which Voznesensky is associated were the currency reform of December 1947 and the wholesale price reform of January 1949.(64) The currency reform was aimed primarily at removing surplus cash balances held by households, especially peasant hoards, and raising retail prices in order to reduce excess demand in the consumer goods market and restore worker incentives. Foodstuffs were derationed at the same time. The wholesale price reform was aimed at reducing state subsidies to industry through sharp increases in the prices paid to enterprises for industrial goods, in order to make enterprises financially more self-reliant and to make financial disciplines more enforceable.

In 1946 and 1947 Voznesensky appeared to become still more powerful. In October 1946 his name was added to the membership of the Politburo commission on foreign affairs.(65) And in 1947 he became a

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63. N.A. Voznesensky, Izbrannye proizvedeniya, p. 465.

64. Eugène Zaleski, op. cit., pp. 428-429, 469-470.

65. N.S. Khrushchev, The Secret Speech, Nottingham 1976, p. 77. Khrushchev cited this appointment to reveal and condemn Stalin's practice of setting up Politburo subcommittees with the aim of excluding some of its members (in this case, A.A. Andreev and Marshal K.E. Voroshilov) from decisions.



full Politburo member.

Another event in December 1947 added greatly to Voznesensky's stature. This was the publication of his famous book on the wartime economy.<sup>(66)</sup> Voznesensky had written it, apparently, soon after the war on the basis of Gosplan files, and had circulated the finished typescript to Politburo members. Stalin kept his copy for nearly a year, then returned it to the author with detailed annotations and 'corrections' (no one else had presumed to comment) and, most important, his initials on the last page. Within three months the book was published. It was an immediate success, but this was due not only to the author's position. It provided the first official, research-based account of the Soviet Union at war and the sources of victory. And it included a comprehensive revision of the Soviet Union's regularities of economic development and of its political economy. The latter feature was particularly important because the last official political economy textbook had appeared in 1928, and while projects for its revision had been under discussion since January 1941 nothing had yet emerged.

In his book Voznesensky endorsed the results of prewar and wartime discussion. This meant that the state plan remained a 'law' of Soviet economic development, confirming the basis of the centralised system of authoritarian planning. At the same time prices, markets and money were shown to be permanent features of a socialist economy, and with

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66. N. Voznesensky, Voennaya ekonomika SSSR v period Otechestvennoi voiny, Moscow 1947. This book was immediately translated into English by Soviet publishers, appearing as War Economy of the USSR in the Period of the Patriotic War, Moscow 1948. The American Council of Learned Societies also translated it as The Economy of the USSR During World War II, Washington, D.C. 1948.

them the underlying 'law of value' (which requires commodities to be exchanged at prices related to their values). In a capitalist economy the law of value operated spontaneously and, as the dominant tendency, gave rise to the accumulation of capital, economic crises and so forth. In the Soviet economy the law of value had been 'transformed' into a tool of planning, allowing the scientific determination of production costs and the composition and utilisation of output.(67)

Historically, too, the book was of undoubted value. In some respects it endorsed a voluntaristic assessment of wartime economic achievements. For example it laid much stress on the smoothly planned character of mobilisation and conversion at the beginning of the war, and on the continuity of expanded reproduction, even in agriculture, throughout the war years. It also idealised temporary wartime expedients when, for example, Voznesensky wrote about the subordination of the whole of economic life to 'a single aim ... the definite goal set by the socialist state' as a permanent feature of the Soviet system.(68) All the same Voznesensky did not deny - on the contrary he openly admitted - that peacetime economic norms had been crudely violated under the pressure of wartime emergency.(69) Taken as a whole, the book constituted a firm reassertion of the law-governed character of a socialist economic system and the need to discover the expression of these laws under Soviet conditions. Its combination of theoretical analysis aided by a mass of empirical material was unique for its time.

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67. N. Voznesensky, War Economy of the USSR in the Period of the Patriotic War, pp. 115-120. Here Voznesensky based his remarks on discussion among Soviet economists in 1943-1945.

68. Ibid., p. 115.

69. Ibid., pp. 120-121.

In 1949 Voznesensky became the victim of a political intrigue. His vulnerability emerged suddenly on several fronts. His popularity as a political intellectual and a leader of moderation provoked Stalin's jealousy, for Voznesensky had begun to look too much like a rival. Stalin was ill, and nearing his seventieth birthday. Voznesensky was still only forty five. The very success of his book 'aroused Stalin's displeasure, since the latter regarded himself as the law-maker in the field of theory.'<sup>(70)</sup> At the same time Voznesensky incurred the enmity of two other Politburo members, Stalin's NKVD chief L.P. Beriya and Central Committee secretary G.M. Malenkov who was also an expert in the mechanics of terror.

Voznesensky and Malenkov had apparently clashed in 1945-1946. Malenkov had been placed in charge of a committee responsible for organising war reparations from the Soviet occupation zone in Germany, which meant dismantling German industry and shipping the assets back to the Soviet Union. Voznesensky had objected to this short-sighted policy. A commission set up under another Politburo member, A.I. Mikoyan, to examine the disagreement had put a stop to Malenkov's activities by proposing the establishment of joint Soviet-German companies and the payment of reparations in finished industrial goods. <sup>(71)</sup> Soon afterwards (although not as a direct result), Malenkov fell from Stalin's favour and was temporarily posted to faraway Tashkent.

Now a full Politburo member himself, Voznesensky also clashed with Beriya by trying to distance himself from the lawless repressions

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70. V.V. Kolotov, 'Vidnyi partiinyi i gosudarstvennyi deyatel'', Voprosy istorii KPSS no. 6, 1963, p. 97.

71. Roy Medvedev, op. cit., pp. 146-147.

of that time. Voznesensky's biographer, then his personal secretary, records one incident as follows:

'Late one night I received a package from Beria addressed to Voznesenskii. As usual, I opened the package and took out a thick bundle of papers fastened together. On the first sheet was printed: "List of people subject to ... ." In my hands was a long list of people condemned to be shot ... At the end of the list, diagonally, Beria, Shkiriakov, and Malenkov had signed their names.

'The list had been sent to Voznesenskii for his approval. This was a first in my long years of working in the Kremlin. Till that day nothing of the sort had ever come to Voznesenskii. I went at once to Nikolai Alekseevich's office and gave him the list that was burning my fingers. Voznesenskii began to read it attentively. He would read a page or two, stop, think for a while, return to the page he had read, and read further. When he had finished reading the list, looking at the signatures underneath, Nikolai Alekseevich said indignantly: "Return this list by courier where you got it from, and inform the proper person by telephone that I will never sign such lists. I am not a judge, and don't know whether the people on the list need to be shot. And tell them never to send such lists to me again."

'Beria could not but remember Voznesenskii's categorical refusal to sign the sentences of "enemies of the people".'(72)

In 1948 and 1949 Malenkov restored his position by allying himself with Beriya over the 'Leningrad affair'. This was the name given to a far-reaching purge of officials with past or present involvement in the political and social life of Leningrad. It began with the sudden dismissal of the former Leningrad party boss, Politburo member and most prominent of the Central Committee secretaries A.A. Zhdanov. The latter died soon afterwards (this was in August 1948) in circumstances which remain to some extent obscure. The repression of those formerly associated with him or with Leningrad connections now sprang to life. Malenkov organised the purge in Leningrad, Beriya in Moscow. Voznesensky was only the most prominent of their many victims.

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72. V.V. Kolotov, 'Ustremlennyi v budushchee' (unpublished), cited by Roy Medvedev, Let History Judge, London 1972, p. 481.

Voznesensky was removed from his positions in March 1949,(73) as a result of a fabricated charge concerning the 'loss' of secret papers from Gosplan. The charge was aimed at Voznesensky personally from the start, but at first the authorities only arraigned his subordinates (not including Saburov, who eventually replaced Voznesensky as Gosplan chief). The intention was to use their 'evidence' to implicate their leader. Voznesensky himself testified at their trial, however, refuting the charges as a concocted provocation. Beriya ordered the case to be wound up and the defendants received comparatively short prison terms.(74) Meanwhile Voznesensky, unable to work, spent his time at home writing a book on the political economy of communism and composing appeals for reinstatement addressed to Stalin, whom he continued to trust. Eventually he was arrested all the same, and on 30 September 1950 was simply shot without a trial.(75)

#### Voznesensky in retrospect

In Voznesensky's career the elements of personal power and professional authority were closely intertwined. His limitless capacity for hard work attests to his personal ambition. He was able to exercise personal leadership; had he been unable to do so, he would scarcely have risen under Stalin to the first rank of Soviet political life. Before the war he had won promotion with Zhdanov's help, but by 1941 this no longer seemed to be of decisive importance. While not as

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73. This was two months after the 1949 industrial price reform, which was set in reverse after Voznesensky's removal. See Alec Nove, An Economic History of the USSR, Harmondsworth 1972, p. 306.

74. Literaturnaya gazeta, 30 November 1963.

75. V. Kolotov and G. Petrovichev, N.A. Voznesensky (Biograficheskii ocherk), Moscow 1963, p. 47.

close to Stalin as Molotov or Beriya, he could share the ring with Kosygin, Malenkov, Mikoyan and others of the next generation. Even Stalin had to recognise his stature.

The basis of Voznesensky's prestige, however, extended beyond mere ruthlessness of vision, loyalty to Stalin or the capacity to organise and deploy a personal machine. It included high professional competence in his chosen field. His renown was limited to the confines of officialdom and was based on his ability to detect and analyse economic imbalances and to organise the appropriate adaptive response. This led him to accumulate legitimate authority rather than dictatorial power. He displayed 'pessimism of the intellect, optimism of the will' where many Stalinist officials had nothing more to offer than optimism. Within the limits of the system he was a reform-minded realist; he was the king's messenger, but he was not afraid to return bearing unpleasant truths.

Voznesensky did not cut a heroic figure, for his part was too ambiguous to be heroic, except perhaps in the tragic sense of a great man destroyed by his great ambition. He was part and parcel of the Stalin regime. He rose through it to high office, and his promotion was a consequence of the lawless repressions which he later resisted. The policies which he pursued for the rationalisation of economic planning were designed to strengthen centralised authority and make it more effective, not to democratise it. At the same time his search for coherence in the economic system had another side, which placed him in opposition to the most dictatorial aspects of Stalin's regime. This was his belief in the law-governed character of the socialist economic system and of the planning process. He understood that

authority, to be effective, must recognise limits and subject itself to higher laws; arbitrary authority, unrestrained by law, must ultimately fail. His commitment to a balance between the planned economy and the market sphere, his acceptance of limits on the authority of the plan and his rejection of dictatorial rule left room for pluralism in economic life. He became associated with moderation in the Stalinist style of leadership, in response to the nation's need for coherence under the stress of rearmament, war and postwar reconstruction.

Close study of Voznesensky's career refutes the idea that the Soviet wartime experience had fostered only crude voluntarism and a more thoroughly dictatorial approach to economic problems.(76) Under Voznesensky's leadership the centralised system of authoritarian planning became more realistic and flexible. Economic thought, too, developed towards a more realistic characterisation of the socialist economic system and the laws governing it. At the same time, of course, the wartime experience also gave rise to other, more retrograde results.

The disgrace and death of Voznesensky were followed by suppression of his memory, his writings and many of the ideas with which he was most closely associated. Among these was Voznesensky's concept of the law-governed character of the socialist economy, and the role of the law of value under socialism. In November 1951 a conference of Soviet economists was convened to discuss political economy once more. The results were transmitted to Stalin for his personal judgement. In the

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76. This idea is adopted by such varied authorities as Moshe Lewin, Political Undercurrents in Soviet Economic Debates, London 1975, p. 110; and William O. McCagg, Stalin Embattled, 1943-1948, Detroit 1978, pp. 139-142.

spring of 1952 Stalin issued his verdict. He rejected the idea of socialist economic laws deliberately realised through planning, and of the plan as a 'law' of socialist economic development, on the grounds that these gave too great a role to acts of political will. The objective laws of the socialist economy could not be identified with arbitrary human decisions. But whatever these objective laws were, Stalin did not number the law of value among them. He rejected the idea that money and prices would play any role in a fully socialist economy. (77) Thus, although he appeared to be attacking voluntarism, Stalin defined the limits of the authority of the economic plan even more broadly than before. From the point of view of official Soviet political economy he had put the clock back twenty years.

Stalin's revision of economic theory was a major event in the build-up to the Nineteenth Party Congress in October 1952. It was left until after the congress, however, for the world to learn that Voznesensky and his adherents were indeed Stalin's main target. In December Central Committee Secretary and Presidium (the renamed Politburo) member M.A. Suslov issued a sharply worded statement condemning an article by P. Fedoseev, a past editor-in-chief of Bol'shevik. Not that Fedoseev had written anything wrong; on the contrary, he had praised Stalin's new economic doctrine, which was perfectly proper. But Fedoseev had left out the fact that he himself had 'formerly zealously disseminated' Voznesensky's 'idealistic viewpoint and subjectivism on the character of the economic laws of socialism.' Now Suslov revealed that in July 1949 Fedoseev had been sacked from Bol'shevik for a long

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77. Joseph Stalin, The Essential Stalin: Major Theoretical Writings 1905-1952, London 1973, pp. 451-453 ('Economic Problems of Socialism in the USSR').



list of assorted misjudgements, among which the most precise allegation was that he had promoted Voznesensky's history of the war economy as a party textbook; 'In fact,' Suslov declared,

'Voznesensky's booklet confused the analysis of problems of the political economy of socialism, and showed itself to be a mish-mash of voluntaristic views on the role of the plan and the state in Soviet society, and a fetishisation of the law of value, as though the latter was a regulator of the allocation of labour between the branches of the USSR's national economy.'(78)

Within a short while, however, this judgement was set aside. Stalin died, Beriya was executed and Malenkov removed from real power. (Suslov, of course, went on and on; he remained a Politburo member for 29 more years, and no one ever required him to come clean about his own past deviations.) At the closed session of the Twentieth Party Congress in March 1956 Khrushchev restored Voznesensky's name to the roll of honour. At the same time a wide-ranging review of official political economy and substantial new historical research were set in motion. A more public rehabilitation, and opportunity for reconsidering Voznesensky's place in history, awaited the revelations of the Twenty Second Party Congress in 1961 concerning the 'Leningrad affair' and the sixtieth anniversary of Voznesensky's birth which came soon after at the end of 1963. His role as an innovator both in the field of plan

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78. M. Suslov, 'Po povodu statei P. Fedoseeva', Pravda, 24 December 1952. Included within Suslov's censure were several lesser economic officials such as L. Gatovsky, A. Kursky and G.M. Sorokin. Suslov's condemnation of Voznesensky's book was soon repeated in identical terms in a leading article entitled 'Za voinstvuyushchii materializm v obshchestvennoi nauke' in Kommunist no. 2, 1953. The latter's censure ranged widely through all the social sciences, not just economics. But among economists it was now extended to A. Léont'ev who, as editor-in-chief of Pod znamenem marksizma, had helped to originate the doctrine of the plan as a 'law' of socialist economic development and of the law of value 'transformed' into a tool of socialist planning (see its issue no. 7-8, 1943).

methodology and in the use of economic stimuli to guide the planned economy and market sphere, together with his contribution to the political economy of socialism, formed the keynote struck in that year.(79)

Of course most of the viewpoints expressed in Soviet economic debates since 1956 have been much more radical and even reform-minded than the formulae adopted by Voznesensky in 1946-1947. Some of the ideas which he endorsed, such as the plan as a 'law' of socialist economic development, no longer fall within the limits of orthodox discussion. Nonetheless it seems to be the case that, across a broad spectrum, Soviet economists look back to Voznesensky and honour his memory as a pioneer who, from within the Stalinist epoch, indicated to future generations the directions they must follow in order to leave its most dreary wastelands behind them.

Thus Voznesensky's life became an important source of 'invented tradition' for the movement for reform of Stalinism after Stalin's death. For the aim of this movement was precisely the rejection of arbitrary personal authority and assertion of the law-governed character of the socialist system of government and economic administration. Of course Voznesensky did not personally bring this movement about, nor did he foresee the use of his memory to invalidate the Stalin cult. One can only speculate on where Voznesensky would have stood, had he survived. His roles and contributions were sufficiently varied that, from today's standpoint, no single value can be placed upon his legacy.

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79. Voprosy ekonomiki no. 12, 1963, pp. 150-153.

In fact, if we turn now to the present day, and examine the many strands making up Soviet public opinion in the 1980s, which extends from conservatives and modernisers to out-and-out reformists, we find that each has adopted Voznesensky's memory. To some he appears as an acceptable hero from the good old days, from the time of Stalin. To others he appears as a moderator of Stalinism, a talented moderniser of Soviet institutions. Among others still he is remembered as a victim of Stalin's crimes. There is not one substantial current of opinion which does not claim him as their own.

Thus Voznesensky has joined the spirits of the past, who seem to stand astride the Soviet future and haunt its progress.