

The USSR Council of Ministers Under Late Stalinism, 1945-1954: Its Production Branch Composition and the Requirements of National Economy and Policy*

John Crowfoot
and
Mark Harrison**

Department of Economics
University of Warwick

* This paper was published in *Soviet Studies* 42:1 (1990), pp. 39-58. In the text of the paper, reference is made to a number of technical appendices. These cover: (A) Economic ministries, 1945-54: summary of their reorganization (a set of charts showing the process of ministerial subdivisions and amalgamations) (B) Ministries and ministerial appointments, 1945-54 (names and dates of appointment and dismissal or transfer, by ministry) (C) The number of production branch ministries and the renewal of ministers, 1945-54 (a quantitative summary of Appendices A and B) (D) The year of birth of production branch ministers, 1945-54 (names listed by year of birth, where known) (E) The USSR Council of Ministers, 1945-54 – an index of names (cross-referenced for Appendix B) (F) Sources for Appendices A-E. These appendices are not published below, but are available on application to Mark Harrison at the address below.

** Corresponding author. Mail: Harrison, Department of Economics, University of Warwick, Coventry CV4 7AL. Email: mark.harrison@warwick.ac.uk. This paper contributes to Mark Harrison's research on defence and development in Soviet planning after 1945. John Crowfoot's involvement in the project during 1984-85 was made possible by the financial support of the Nuffield Foundation, for which the authors express their gratitude. We are also grateful to Peter Law (Warwick) and an anonymous referee for helpful comments.

The USSR Council of Ministers Under Late Stalinism, 1945-1954: Its Production Branch Composition and the Requirements of National Economy and Policy

The system of Soviet economic administration established before 1941, and confirmed during World War II, was hierarchical and centralized. The subordination of enterprises to higher levels was organized on the production branch principle, giving rise to a number of production branch ministries in Moscow (with local offices at intermediate levels). Ministries were represented by their ministers in a collective executive body – the USSR Council of Ministers.¹ The Council of Ministers also included the usual complement of government leaders with non-production responsibilities (internal and external affairs, finance, defence, health, education and welfare).

The plans and decisions of ministers in charge of each specialized production branch were coordinated in two ways. First, groups of ministries tended to be supervised by a relatively small number of senior party leaders whom Alec Nove has called “overlords”;² usually appointed deputies of the Chairman of the Council of Ministers (Prime Minister), they formed a kind of inner cabinet. This sometimes found formal expressions which are discussed below. Second, the detailed coordination of ministerial plans was routed through an advisory body with ministerial status, the State Planning Commission (Gosplan).

In the Stalin era (1929-53) the number of ministries and the rate of turnover of ministers fluctuated strongly. In the prewar years there was a general trend towards more numerous, smaller ministries, but the process of ministerial subdivision and the turnover of ministers became especially rapid when political tensions ran high, for example in the years of the Ezhovshchina. In the postwar decade, at first, the prewar tendency of ministerial subdivision was reasserted. Nove has written that this was “to some extent ... a matter of changing labels” as deputy ministers became ministers and ministers became “overlords”. To some extent, also, it was “due in part to the growing complexity and size of the economy, as well as to the fact that the days of trouble-shooting commissars, in industry at least, were largely over”. Soon, however, “the process of sub-division evidently went too far” and was set in reverse.³ In fact, what soon emerged bore a strong resemblance to a cycle of

¹ For convenience we refer to the Council of Ministers although, strictly speaking, until February 1946 the ministerial agencies and the ministerial collective were still called people’s commissariats and the Council of People’s Commissars (Sovnarkom).

² E.g. Alec Nove, *The Soviet Economy* (2nd edn., London: 1965), p. 65.

³ Alec Nove, *An Economic History of the USSR* (3rd edn., Harmondsworth: 1982), pp. 296-297.

ministerial fission and fusion; within the first postwar decade there were two complete “cycles” and the beginning of a third.

What determined the tendencies towards ministerial subdivision and amalgamation, and their limits? The number of ministries and the turnover of their leaders were affected by a number of forces which sometimes reinforced, sometimes offset each other. There were both permanent and transient influences at work. The permanent influences were twofold, and stemmed from the conflicting requirements of limiting two different kinds of economic inefficiency: “X” (or productive) inefficiency and allocative inefficiency.

X-inefficiency versus allocative inefficiency

X-inefficiency

Allocative inefficiency arises when profit-maximizing enterprises fail to equate social marginal costs and revenues, and is consistent with productive or X-efficiency – the enterprise produces at the outer bound of its production possibilities. X-inefficiency arises when individuals or interest groups within the enterprise divert enterprise resources to their own ends (leisure or consumption), giving rise to unutilized productive capacities or inflation of reported production costs. In the case of X-inefficiency the enterprise produces beneath the outer bound of its productive possibilities.⁴

In the Soviet enterprise the problem of X-inefficiency arose in an environment of resource mobilization based on physical controls on inputs and outputs from above, combined with relatively weak financial controls and budget constraints. X-inefficiency within the Soviet enterprise might be considered in its general form (diversion of enterprise resources to augment the leisure and consumption of managers and employees) as well as in its specifically Soviet form of input hoarding or maintenance of unreported reserves of productive capacity. This X-inefficiency was “inefficient” from the point of view of the sources of legitimate allocative

⁴ “Two general types of movement are possible. One is along a production surface towards greater allocative efficiency, and the other is from a lower surface to a higher one that involves greater degrees of X-efficiency”. For the original statement see Harvey Liebenstein, “Allocative Efficiency Vs. X-Efficiency”, *American Economic Review* 56:3 (1966, p. 413). Liebenstein listed four conditions for the presence of X-inefficiency: (a) incomplete specification of labour contracts, (b) lack of a full set of input markets, (c) incomplete specification or knowledge of production functions, (d) interdependence and uncertainty giving rise to collusive and imitative behaviour among rival producers (p. 407). All of these, mutatis mutandis, are present in the Stalinist economic system. Liebenstein considered, on the basis of Western evidence, that losses attributable to allocative inefficiency are trivial compared to those arising from X-inefficiency. Whether this finding can be transferred to a Soviet context seems doubtful – not least, in the light of more recent research suggesting that in Western economies purely allocative inefficiencies may be substantial in GNP terms. See Keith Cowling and Dennis C. Mueller, “The Social Costs of Monopoly Power”, *Economic Journal* 88 (December 1978).

authority (the government and its planning agencies, and household consumers), though efficient in a partial sense for consumers of “organizational slack” within the enterprise.

To overcome the problem of X-inefficiency in the enterprise, higher authority required consistent, detailed verification of lower-level performance. Through time, this requirement tended to become more and more difficult to satisfy. The two most important reasons were the rapid expansion of the public sector and the economy’s rapid development away from its backward, agrarian origins. These were associated with a high rate of expansion of public sector assets, the rapid proliferation of new non-agricultural enterprises, and their diversification into newly specialized production sectors and complexes at high speed. This was especially marked in the early stages of the interwar five-year plans. As a result, the simple ministerial structures appropriate to oversight of the industrial economy of the 1920s had soon lost their effectiveness.

For example, during the 1920s, Soviet public sector industries were regulated by a single agency: VSNKh (the Supreme Council of the National Economy), established in December 1917. By the end of the first five-year plan (1928-32), VSNKh had been broken up into three smaller ministries (for the heavy, light and timber industries).⁵ During the second five-year plan (1933-37) this more differentiated ministerial structure again became over-concentrated and top-heavy; as the distance from enterprise to minister widened, the difficulty of effective monitoring of enterprise performance and intervention for the solution of supply and management problems grew in geometric proportion. A new fission process began in 1936-37, and accelerated under the third five-year plan (1938-41). Thus the super-large bureaucracies like NKTP (the People’s Commissariat of Heavy Industry) were eventually broken down into much smaller, more specialized ministries (no less than 17 of them by 1941, in the case of NKTP), closer to the realities of management and the shop floor.⁶

There was a kind of historical parallel for the fission process of the 1930s in the civil war years. At its first meeting, in January 1918, VSNKh established 14 chief administrations for the main branches of industry subject to its jurisdiction – an elaborate structure built far ahead of demand. Yet by 1920 the original 14 had grown to 42.⁷ Here the underlying conditions were supplied not by rapid development of the economy as a whole but rapid expansion of the public sector at the expense of the private sector.

⁵ Eugene Zaleski, *Stalinist Planning for Economic Growth 1933-1952* (London and Basingstoke: 1980), p. 18.

⁶ Mark Harrison, *Soviet Planning in Peace and War* (Cambridge: 1985), pp. 11-13.

⁷ E. H. Carr, *The Bolshevik Revolution, 1917-1923*, vol. 2 (Harmondsworth: 1966), p. 182.

Within the Stalinist economic system, direct ministerial supervision of the enterprise was not the only method available for controlling X-inefficiency. Indirect regulation based on output norm fulfillment bonuses and management incentive schemes was also widely used after 1930. However, under conditions of a “shortage economy” with taut planning, overfull employment and permanent excess demand for both producer and consumer goods, such schemes had limited effectiveness, or else tended to divert producer initiative away from mobilizing reserves towards finding more and more ingenious ways of maintaining incomes while limiting effort. Moreover, given sticky and arbitrarily determined prices and wages, the impact of financial incentives upon allocative efficiency was often negative. Consequently, direct ministerial regulation played an irreducible role in the mobilization of inputs.

Allocative inefficiency

In the Soviet economy the problem of securing an efficient economy-wide allocation of resources arose in the absence of a standard of value for optimal resource allocation. Therefore, a degree of allocative inefficiency was inevitable; the problem is better seen as how best to establish tolerable limits on allocative inefficiency, rather than as one of optimization.

In a Soviet context there were two sources of allocative inefficiency which proved particularly sensitive to the ministerial structure and its supply planning relationships. First was the tendency to production self-sufficiency or autarky of the enterprise and production branch. Under uncertainty of central plan obligations and supply allocations, both enterprises and ministerial branches preferred internal to external sources of input supply. The result was to divert many input demands from specialized, low-cost suppliers (external to the using firm or located in other production branches) to non-specialized, small-scale auxiliary production within the firm or ministry, resulting in significant unjustified production costs and unutilized production possibilities. (Where the latter involved idle fixed capacity and working time, it contributed to the degree of X-inefficiency, too.)

The second kind of allocative inefficiency sensitive to the ministerial structure was arguably more important for the long run. This was the difficulty of maintaining a consistent, realistic, adaptive process of strategic allocative decision making at the centre. In Western parlance we would refer to this process as “industrial strategy” (interpreted, on the Japanese model, in an interventionist sense rather than in the neo-liberal form of competition policy). The burden of everyday information, evaluation and decision making laid upon USSR Gosplan by the ministerial system, if allowed to, tended to grow at a compound rate. Rather than industrial strategy (i.e. the analysis of long-run costs and benefits of alternative adaptations of the economic structure to changing needs and possibilities), it was everyday details of inter-branch coordination which more and more absorbed central administrative resources. In place of industrial strategy, we find “planning from the achieved level” and campaigns to mobilize intra-firm resources.

How were these different sources of allocative inefficiency affected by the ministerial structure? Both were accentuated by ministerial subdivision. The economy was becoming steadily larger, more diversified, more specialized and more

internally interdependent. The accompanying process of ministerial specialization and fragmentation, aimed at reducing the difficulties of monitoring enterprise X-efficiency and of trouble-shooting from above to manageable proportions, increased above all the burden of coordination laid upon USSR Gosplan, which had to negotiate with and reconcile the needs of a growing number of ministerial clients. Thus, ministerial subdivision threatened the viability of centralized objectives for resource allocation, in two ways.

First, the fewer the number of ministries, the less harmful and more practicable would be the results of the aspiration of each to self-sufficiency in balancing its own branch needs and resources; as the process of ministerial fission proceeded, the more each ministry would be forced into reliance upon the central system of planned supply and utilization of products,⁸ and the more harmful would be the results of successful pursuit of ministerial autarky in production.

Second, the fewer the number of ministries, the lighter was the burden of routine allocative decision making laid on USSR Gosplan at the centre, and the greater would be the planning resources available for defining and making industrial policy for the future. As ministerial fission proceeded, the more the central planners would become wrapped up in negotiating everyday supplies and norms with the growing number of ministerial clients.

Ministerial subdivision therefore represented a potent threat to allocative decision making. Just as bad (as experience would show) was the fact that ministerial subdivision, aimed at reducing enterprise slack, tended to encourage organizational slack within the ministries themselves. The apparent reason for this was simply the increase in the number of high level posts (and therefore the increased possibility for multiplying intermediate levels of administration), and the increased difficulty of supervising them.

In some circumstances, ministerial fragmentation was inevitable. If so, it had to be offset by stricter central controls on the ministries themselves, and on inter-ministerial transfers, from within the Council of Ministers or USSR Gosplan. Phases of ministerial subdivision were therefore accompanied, sooner or later, by resort to increased supra-ministerial regulation. The usual means (mentioned above) was the "overlord" system defined by Nove. This was a permanent system, but from time to time it acquired formal status. This can be seen in various episodes.

One was the 1937 creation of an Economic Council of the Council of Ministers (then Sovnarkom), to which belonged the prime minister, his deputies and the head of the trade unions. Its supra-ministerial functions were formalized in 1940 by creation of six production branch subcommittees under it, each headed by a deputy premier responsible for a group of specialized ministries (e.g. metallurgy and chemicals, engineering, the defence industries and so on). When war broke out the Economic Council ceased to function, the role of the overlords being taken over first by individual members of Stalin's war cabinet, then (in late 1942) by the war

⁸ This was clearly understood by the end of the 1930s; for example, E. Yu. Lokshin, "Organizatsionnye problemy promyshlennosti SSSR", *Problemy ekonomiki* (1939), no. 4, p. 51.

cabinet's Operations Bureau.⁹ After the war the "overlord" system became informal once more although, under the impact of ministerial fragmentation in 1946, some of its functions were appropriated by supra-ministerial amalgamations within Gosplan. Its formal revival awaited the ministerial subdivisions of 1953-54, and the 1954 creation of a Presidium of the Council of Ministers. These postwar developments are examined further below.

In principle, the creation of supra-ministerial regulatory agencies on the "overlord" model should be distinguished from "super-ministries", which are the result of ministerial amalgamation. The existence of overlords is a way of living with excessive specialization of production branch ministries, whereas super-ministries (for example, on the Soviet model since 1985) are in theory a cure for it. But there is a qualification due here, of course, because ministerial amalgamation does not immediately abolish the formerly independent production branch agencies but, to begin with, only reduces their status. In practice, amalgamation on paper does not automatically lessen the problem of inter-ministerial coordination, but opens a door to its reduction. Whether the potential for enhanced coordination is realized depends on many factors, including policy, pressure and the time for these to be effective.

A fission-fusion cycle?

The interaction of such factors, which was uneven through time, tended to give rise to a cycle of ministerial fission (including, eventually, its reversal by means of fusion). The cycle was not one of smoothly differentiated oscillation, but of random, often discontinuous reeling between tolerance limits. The limits were established, on the one hand, by the maximum permissible degree of X-inefficiency associated with the growth of large, non-specialized ministerial empires and, on the other hand, the maximum permissible degree of allocative inefficiency associated with their fragmentation into specialized ministerial agencies. But there was no precise periodicity or regular amplitude of the kind which we associate with the swing of a pendulum.

Ministerial fission began almost as soon as Soviet power was formed, and is seen in the internal disintegration of VSNKh between 1918 and 1920. By the end of the civil war, VSNKh had become nearly powerless, operational authority having passed into the hands of its theoretically subordinate chief administrations, which in practice acted as self contained units. The associated allocation problems became more and more difficult to resolve.¹⁰

This first administrative cycle was never completed, being cut short by the transition to the New Economic Policy and to a different, less hierarchical kind of economic system in March 1921. Ministerial fission began again under the five-year plans with, first, the breakup of VSNKh and then, after a breathing space, of NKTP.

⁹ Harrison, *Soviet Planning*, pp. 13, 28, 96, 184.

¹⁰ Laszlo Szamuely, *First Models of the Socialist Economic Systems: Principles and Theories* (Budapest: 1974), pp. 14-15.

Stability returned with the war years, and after the war fission resumed. Alongside the fission process emerged the countervailing institutions of Gosplan, the supra-ministerial “overlords”, the Economic Council and so on. Until this stage the cycle had involved periods of rapid fission interspersed with stabilization; the momentum behind the fission process remained so strong that there was no absolute reduction in the number of ministries until into the postwar period.

This was just one of several administrative cycles which could be identified in Soviet government. Others included the successive centralizations and devolutions of authority within the administrative hierarchy of government, and the periodic reorganizations of the party on first territorial, then functional principles. The common feature of these cycles was that a turn in any one definite direction stimulated the type of inefficiency peculiarly associated with it, and an exaggerated belief in the virtues of the opposite. “The balance between the two”, wrote Devons (of wartime planning in Britain), “is never found, since at each stage the evils of the existing system and the advantages of the alternative always impress most”.¹¹

Policies and politics

Side by side with these permanent forces there operated transitory influences emanating from the political sphere. On one level there was the normal process of adjustment of priorities and policy choice. The shift from peace to wartime conditions in 1941 had forced minor changes in the ministerial structure, for example, the creation of ministries for tank building and for mortar armament.¹² The return to peacetime conditions in 1945 brought questions of economic rehabilitation and reconversion to the fore: several munitions ministries were amalgamated or renamed, and the construction ministry was subdivided on functional lines.

The contrasting needs of the regions of the interior compared to regions formerly at the front line or under enemy occupation promoted the formation of several temporary branch/regional ministries. New ministries were created for administration of agriculture and allocation of reserves. Subsequent changes of emphasis concerning such widely differing fields as urban construction, electronics and nuclear weapons were also reflected in the formation of new ministries.¹³

On quite another level was the impact made by the political struggle for personal leadership. This may have influenced not only the renewal of ministerial personnel but also the ministerial structure itself. Such an influence would have been independent of both industrial strategy and everyday management considerations. Evidence of the 1930s is suggestive of the idea that ministerial

¹¹ Ely Devons, *Planning in Practice: Essays on Aircraft Planning in War-Time* (Cambridge: 1950), p. 15.

¹² Harrison, *Soviet Planning*, p. 93, and Appendix 4 (“Composition of the USSR Sovnarkom 1938-45”).

¹³ See Appendix A.

reorganization was itself a weapon of political struggle. Breaking up ministerial empires may have weakened older generations of industrial leaders and diluted their influence with that of younger cohorts. Thus splitting the defence industries off from NKTP “robbed Ordzhonikidze of one of his strongest political bases, and of his closest contacts with the armed forces, purged just six months later. It is tempting to see in the destruction of NKTP after the death of Ordzhonikidze a political measure by Stalin designed to ensure that no one should gain as strong a position as economic leader of the prestige industries”.¹⁴

However, under other circumstances, the reverse process of ministerial amalgamation and consolidation might equally well serve the purpose of eliminating political opponents by reducing the number of high level posts and forcing the retirement or demotion of some of their incumbents.

Thus the interpretation of ministerial reorganization and renewal of personnel must at all times be a complex business, taking into account the interaction of all these possible influences. The following sections discuss each of them in turn.

The ministerial structure

1945-1949

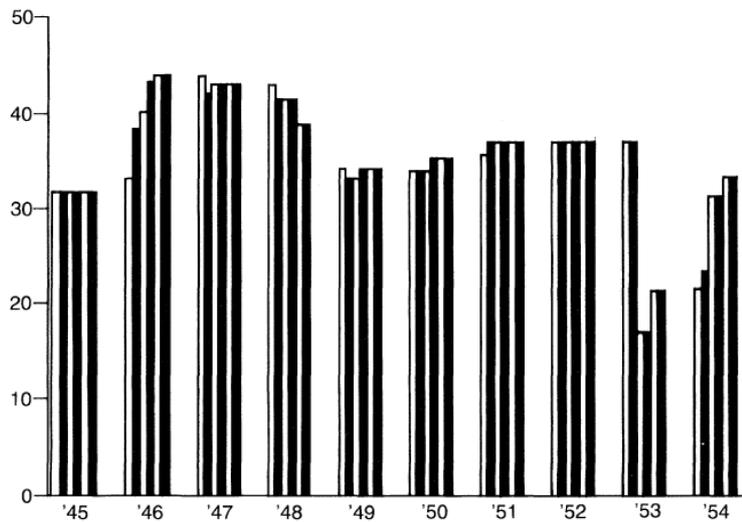
In the postwar years of “late” Stalinism the process of ministerial reorganization and renewal continued. The trend may be approximated first by looking at Figure 1, which shows the changing number of production branch ministries between May 1945 and August 1954.¹⁵ Comparing start with finish there was surprisingly little variation, with totals of 32 and 33 ministries respectively. In between, however, there was a great deal of movement. The figure shows two waves of ministerial growth and the beginnings of a third.

The first period was associated with the aims of the fourth five-year plan, adopted in 1946 – to restore the economy and convert it to peacetime needs. Non-military designations and responsibilities were given to the wartime ministries of tank building, ammunition and mortar armament. At the same time, several large-scale and expensive military research projects were started under various covers, especially on the Soviet atom bomb and rockets. Different regions and industrial branches varied in their needs and the priorities accorded them, and this led to the subdivision of three ministries on regional lines (coal, oil and fisheries), and of the construction ministry on functional lines. New ministries were created for allocating reserves of labour, food and materials, and for industrial crops, food crops and livestock rearing. This first phase of ministerial multiplication was completed by July 1946, when the number of production branch ministries peaked at 44.

¹⁴ S. M. Tupper, “The Red Army and Soviet Defence Industry 1934-1941”, unpub. PhD thesis (University of Birmingham, 1982), p. 70. Tupper goes on to say, however, that “it is probable that economic reasons can explain the policy much more convincingly than political ...”

¹⁵ For underlying detail see Appendix A.

Figure 1. The changing total of production branch ministries, 1945-54



Source: Appendix A. Note: Columns show numbers on the first day of January, March, May, July, September and November of each year.

At the time, the proliferation of new ministries was associated with significant problems. A pre-emptive strike against the danger of multiplying ministerial administrative costs had been carried out in August 1946 by a resolution of the Council of Ministers which froze both official establishments and vacancies.¹⁶

Ministerial subdivision was also acknowledged to have significantly increased the complexity of work in central planning. When VSNKh had been responsible for the whole of industry (a senior planner commented nostalgically), Gosplan had only to bother about intra-industry coordination in the most general terms, together with balancing industry against agriculture, transport and consumer demand. Now, intra-industry coordination had become one of Gosplan's "most important and complex tasks".¹⁷ An immediate response was to concentrate decision making at a supra-ministerial level, by amalgamating Gosplan's own industrial departments into five administrations broadly covering fuels, engineering, agriculture, transport, and the construction industry.¹⁸ In the case of engineering, for example, the new Gosplan administration was responsible for "establishment of correct intra-production proportions and relationships in engineering, organization of correct cooperation and specialization of enterprises, provision of a full product range [komplektnost'] of

¹⁶ 16 "O zapreshchenii rasshirenii shtatov administrativno-upravlencheskogo apparata sovetskikh, gosudarstvennykh, khozyaistvennykh, kooperativnykh i obshchestvennykh organizatsii", in *Direktivy KPSS i Sovetskogo Pravitel'stva po khozyaistvennym voprosam*, vol. 3 (Moscow: 1958), p. 87.

¹⁷ 17 G. Kosyachenko, "Preduprezhdenie disproportsii v narodnom khozyaistve – odna iz vazhneishikh zadach planirovaniya", *Planovoe khozyaistvo* (1946), no. 4, pp. 3-17, on pp. 7-8.

¹⁸ This was described in an editorial, "Planirovanie v poslevoennyi period i novaya struktura Gosplana", *Planovoe khozyaistvo* (1946), no. 5, pp. 16-25, on p. 20.

engineering output, and compilation of a consolidated plan for engineering as a whole”.

In the event, the majority of the early postwar ministerial divisions did not survive for long. Most lasted for no more than two-and-a-half or three years, two of the agricultural ministries being reunited after only 12 months. In addition, from 1947 onwards, the trend towards amalgamation was also evident for well established and long-standing ministries. In that year the ministries of the light and textile industries were unified. In 1948 and 1949 four more of the divisions of 1946 were reversed, and three further pairs of ministries were amalgamated. Thus by the end of January 1949 the total of production branch ministries had fallen back to 33. (Of the immediate postwar ministerial creations, only the construction ministries, and two of the ministries for reserves, lasted until 1953.)

The fullest and most critical public explanations were offered for the 1947 amalgamations. The objectives behind reunification of the ministry of agriculture were given as “the elimination of defects [nedochety] and duplication in the leadership of agriculture, and also the freeing of agricultural specialists directly for work in MTS and collective farms”. Reference to the “freeing of specialists” implied that too many ministries had resulted in a proliferation of official posts, diverting skilled personnel from production to administration. The aims behind unification of the ministries for the light and textile industries were closely similar: to “improve leadership” in the industry and to economize on administrative costs.¹⁹ During 1948 six further ministerial amalgamations had taken place, but official reports were brief and general; they covered the oil, metallurgical, chemical and fish industries, but not coal.

As regards official motives behind the wide-ranging ministerial amalgamations of 1948-49, silence reigned. However, they can be plausibly associated with new tendencies in economic policy of the same period, which gave more emphasis to macroeconomic equilibrium, value standards and allocative efficiency. The most obvious manifestations of these new directions were the 1947 currency reform; the simultaneous reorganization of Gosplan, which was divided into three – a new state planning committee responsible for economy-wide planning and national economic balance, and subsidiary bodies for detailed supply and technological planning;²⁰ and the 1949 reform of wholesale and planning prices.²¹ This shift in the orientation of planning away from traditional Stalinist mobilization and physical controls may have been facilitated by reduction in the number of major production branch ministries.

¹⁹ *Izvestiya*, 5 February and 29 December 1947.

²⁰ See Appendix A, Figure A-10.

²¹ Michael Kaser, “Le debat sur la loi de la valeur en URSS: etude retrospective, 1941-1953”, *Annuaire de l'URSS* (Paris 1965), pp. 555-569, on pp. 562-566. With regard to the limiting of Gosplan’s functions, however, an alternative hypothesis is that it was directed to undermining the position of Gosplan chief Voznesensky.

However, both the streamlining of the ministerial structure and the reorientation of economic planning made no further progress.

1949-1954

A second period of growth began in June 1949 and lasted until 1951. This was a very modest expansion which led to a net increase of four ministries, only two of them new (cotton growing and urban construction). The separate metallurgical and timber industries, only united for two-and-a-half years or so, were again restored but now no official explanation was offered. The pace of even these modest changes soon slowed down to such an extent that in the whole of 1952 there was no change at all in the ministerial structure, and only one change of ministerial responsibility.²²

On Stalin's death there was rapid and dramatic reorganization. The country's new leaders immediately strove to reduce the governing bodies of state to manageable dimensions, suited to "collective leadership". Within days the party Central Committee's Politburo (then Presidium) was cut from a voting membership of 25 to a maximum of 10. At the same time membership of the Council of Ministers was reduced from 86 to 55, while the number of production branch ministries was cut from 37 to only 17. Reversal of the subdivisions of 1949-51 contributed modestly to this reduction, but the main cutback was secured through formation of five super-ministries, each of which embraced three, four or five former ministries dealing with relatively specialized branches of agriculture and procurements, consumer industries, electrical industries and engineering (two super-ministries).

The new super-ministries, and the slimmer Council of Ministers associated with them, proved only temporary. After only six months the super-ministries began to break up, one after another; by May 1954 only the one covering the food and light industries still held together. In less than 18 months renewed fission of ministerial posts increased the total again to 76 (33 production branch ministries). This was offset by the emergence of a formal "inner cabinet" of deputy premiers (Nove's "overlords"), the Presidium of the Council of Ministers.

It is difficult to weigh the different motives in forming the unprecedented super-ministerial conglomerates of March 1953, or their effectiveness in operation. At the time Malenkov (the new Prime Minister) offered absolutely no explanation of the ministerial changes. They amounted, he claimed, only to an accelerated implementation of measures long contemplated "within comrade Stalin's lifetime and together with him".²³ This may be true but, if so, it does nothing to explain either the reasons for delay while Stalin lived or for urgency now that he was gone. In reality, both immediate considerations associated with the moment of leadership transition, and more long-term calculations of the administrative measures needed to enhance the economy's allocative efficiency, may have pointed in the same direction.

²² This was at the Ministry of Fisheries.

²³ *Izvestiya*, 16 March 1953.

Considerations of the moment are reflected in the famous appeal for the “greatest solidarity”, published a week after the decree on ministerial amalgamations. The temporary resort to super-ministerial forms perhaps met this political objective at the level of government administration, permitting immediate reassertion of central political authority.

Subsequently, however, more far reaching considerations were expressed. It was explained that ministerial amalgamation created the conditions both for greater “mobilization of reserves” and for “more precise coordination of interrelated production branches”, avoiding “duplication in the work of a number of ministries”. The possibilities of “more precise coordination” were related to the need for better cooperation of enterprises, permitting improved fixed capacity utilization. Examples were given of excessive ministerial fragmentation augmenting the harmful effects of the ministerial tendency to production autarky, which resulted in despecialization of industrial branches, with users preferring internal high-cost suppliers to cheaper external sources whose capacity remained underutilized in consequence. Excessive ministerial fragmentation also resulted (it was argued) in hoarding and underutilization of specialized workers.²⁴

Perhaps the ministerial fusions of 1953 did not give the expected favourable results; or perhaps the established bureaucratic interests in favour of increasing the number of high-level offices were too strong. Whatever the reason, decrease in membership of the Council of Ministers was merely temporary. However, there was never any public explanation either of particular ministerial subdivisions in 1953-54 or of the reversal of the amalgamation policy in general. Evidence is to be found only in general expressions, soon to be voiced, of official disappointment at the results of Soviet administration. In Stalin’s absence, the ministerial system found itself living in a more critical atmosphere. The year 1954 began with a sharply worded Central Committee resolution “On serious defects in the work of the party and state apparatus”, followed up in October by a more detailed joint resolution of the party and government specifying remedies.²⁵

Criticism was based on a classic description of ministerial slack. Paper work was being substituted for productive work, and too many production specialists were being recruited into desk jobs. The Finance Minister, Zverev, offered a subsequent commentary. In spite of a 20% reduction in employment in the central agencies in 1952-54, he wrote, there had been no fundamental restructuring of the ministerial system. There were still far too many administrative units and subunits (366 in the ministry of power stations, no less than 569 in the trade ministry), most having a

²⁴ Editorial, “Reorganizatsiya ministerstv – meropriyatie vazhneishogo gosudarstvennogo i narodnokhozyaistvennogo znacheniya”, *Planovoe khozyaistvo* (1952), no. 2, pp. 5-6.

²⁵ *Direktivy KPSS*, vol 4 (Moscow: 1958), pp. 155-156 (“O ser’eznykh nedostatках v rabote partiinogo i gosudarstvennogo apparata”), and pp. 311-317 (“O sushchestvennykh nedostatках v strukture ministerstv i vedomstv SSSR i merakh po uluchsheniyu raboty gosudarstvennogo apparata”).

staff of between one and three workers. In each unit there were too many chiefs, and chief assistants to the assistant chief, and only a few executive workers; there were still far too many levels of responsibility and too many competing lines of authority.²⁶

Ministerial amalgamation in 1953 had failed to stimulate either a more efficient economy or a more effective administrative authority. By 1954 the emphasis was swinging back to resource mobilization (for Malenkov's consumer goods programme) and the need to tap reserves of X-inefficiency at the enterprise level. Problems of balance and coordination were also moved to the back burner.²⁷ Under the circumstances it is not surprising if the process of ministerial fission was quietly resumed.

The renewal of ministerial personnel

The character of turnover

To what extent was ministerial reorganization associated with the renewal of personnel?²⁸ And what were the reasons for appointments, transfers and demotions? Official sources give little if any information beyond names and dates. There was no public discussion. The prewar decree of December 1940 for an army-like direction of labour and appointments was in force throughout, and from June 1947 there was a sweeping law on state secrets.

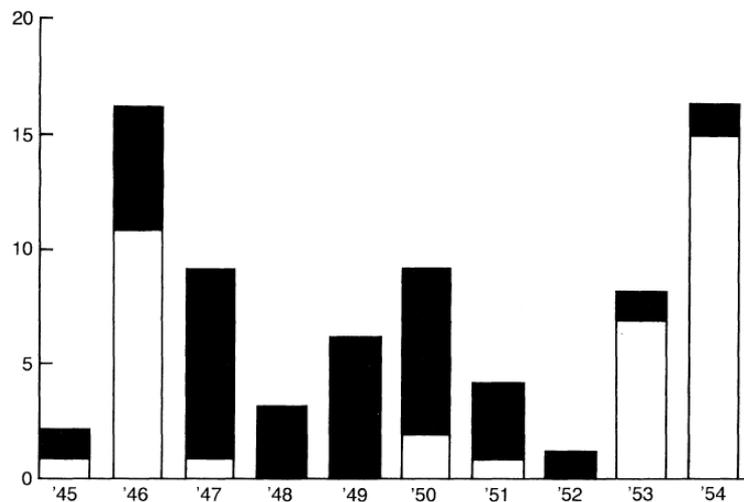
Series for production branch ministers joining and leaving the Council of Ministers in the period 1945-54 are shown in Figures 2 and 3. Over the ten years the initial membership of the Council of Ministers turned over roughly twice; there were 74 new faces (but some were old faces reappearing after some interval), and 69 departures. Ministerial subdivision or amalgamation was associated with about half of new appointments (38 out of 74), and was especially important as a factor in appointments in 1946 and 1953-54. Ministerial reorganization was also a factor in more than half of retirements (39 out of 69), and was especially important among retirements in 1948 and 1953. ("Retirement" here means simply the act of departure from the Council of Ministers, and does not imply attainment of any notional "retirement age").

²⁶ A. G. Zverev, "Uluchshit' i sovershenstvovat' rabotu gosudarstvennogo apparata", *Kommunist* (1954), no. 16, pp. 30-33.

²⁷ This was marked by such statements of policy as the editorial "Uluchshit' proverku vypolneniya planov i ispol'zovanie rezervov v narodnom khozyaistve", *Planovoe khozyaistvo* (1954), no. 3, which laid the new stress exactly where its title suggested ("Improve verification of plan fulfillment and utilization of reserves in the national economy").

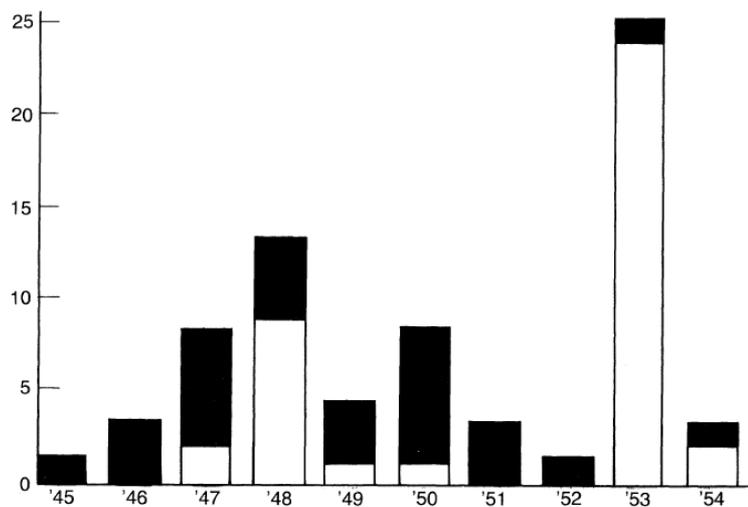
²⁸ For underlying detail see Appendices B (a comprehensive list of ministerial appointments by ministry), C (a quantitative summary of appointments, demotions and transfers in each year), D (ministers listed by year of birth), E (an index of names) and F (a list of sources).

Figure 2. Newly appointed production branch ministers, 1945-54



Source: Appendix C. Notes: Newly appointed ministers are those promoted from sub-ministerial ranks, who thus joined the Council of Ministers from the outside. Blank bars indicate the number of new appointments associated with creation of new ministerial posts. Solid bars indicate the number of new appointments to existing posts, associated therefore with the retirement or transfer of a previous incumbent.

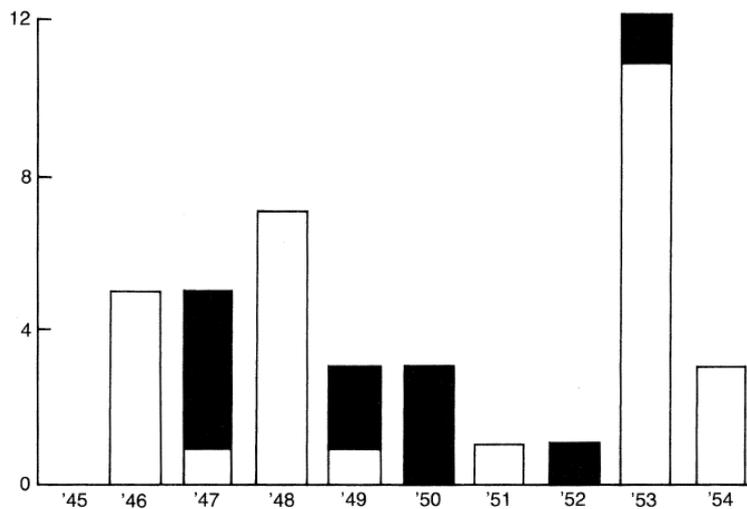
Figure 3. Retirement of production branch ministers, 1945-54



Source: appendix C. Notes: Retirement of ministers refers to their resignation, demotion or withdrawal from membership of the Council of Ministers for whatever reason, whether temporary or permanent. Blank bars indicate retirements associated with the disappearance of ministerial posts. Solid bars indicate retirements from continuing posts.

Significant movement remains “unexplained” by ministerial reorganization. Twenty-six appointments out of 36 not prompted by the creation of new posts were concentrated in 1946-47 and 1949-50. Seventeen retirements out of 30 not forced by the disappearance of existing posts were concentrated in 1947-48 and 1950.

Figure 4. Transfers among production branch ministers, 1945-54.



Source: appendix C. Notes: Transfers refer to all substantive changes of responsibility among existing production branch ministers, including appointment as a deputy prime minister. Excluded only are a few cases where only the name of the ministry changed. Blank bars indicate transfers (from one production branch ministry to another, or to the position of deputy prime minister) associated with the creation or disappearance of ministerial posts. Solid bars indicate transfers not prompted by ministerial reorganization.

Figure 4 shows series for transfers between production branch ministries (including promotions to the position of deputy prime minister). The figure shows that in most years the rotation of posts among ministerial personnel took place on a smaller scale than new appointments and retirements. Almost three-quarters of all transfers were associated with processes of ministerial reorganization. Twenty-nine out of 40 transfers were concentrated in 1946-48 and 1953. The only years in which transfers not prompted by the creation or disappearance of posts mattered in the slightest were 1947 and 1949-50.

From closer inspection of underlying data it is evident that production branch ministers' industrial specializations were highly stable; they showed virtually no mobility across major branch boundaries.²⁹

What were the typical reasons for replacement of serving ministers? New ministerial responsibilities, or promotion to deputy prime minister, were usually made public. A move to "other work" was occasionally offered in explanation. Thus, for example, "other work" required the resignation in 1946 of both Vannikov (ammunition) and Beriya (internal affairs); many years later, it would be revealed that this "other work" was the Soviet atom bomb project.³⁰

On present information we can say that considerations of age and sickness played only a minor role. In 1947 Vakhrushev died (he was born in 1902), and Lukin

²⁹ The sole exceptions to this rule were Kosygin and Pervukhin.

³⁰ David Holloway, *The Soviet Union and the Arms Race* (New Haven, CT and London: 1983), p. 22.

was retired on health grounds. A. I. Efremov (b. 1904) died in 1951. Looking beyond these cases, was there a process of normal replacement of older ministers by younger ones? The evidence tends to refute this idea. Dates of birth, established for 62 of the 90 production branch ministers whom we have identified, provide a striking picture of an ageing occupation and the exceptional dominance of one demographic cohort.

The ageing of the government leadership, which would continue on an unbroken path until the early 1980s, was already strongly in evidence. Table 1 shows that in just nine years (from end-1945 to end-1954) the average age of production branch ministers rose by 6.3 years.

Table 1. The age of production branch ministers (where known), 1945-54

	<i>Year of Joining</i>		<i>Year of Leaving</i>	
	<i>Before 1946</i>	<i>In 1946-54</i>	<i>In 1946-54</i>	<i>After 1954^a</i>
Year of birth:				
before 1902	10	12	14	8
in 1902-6	15	28	29	14
after 1906	2	10	3	9
Total	27	50	46	31
Average age: ^b				
end-1945	43.9	41.7	43.1	...
(SD) ^c	(4.2)	(3.6)	(3.7)	...
end-1954	50.2
(SD) ^c	(4.1)

Source: Appendix D.

Notes: ^a The number joining before 1946, plus the number joining during 1946-54, minus the number leaving during 1946-54, equals the number remaining in office at the end of 1954. ^b Since only the year of birth is typically known, I assume that each individual was born in mid-year in order to calculate average age on a given date.

^c Standard deviation (SD): if a data series is normally distributed, then the average \pm the standard deviation will include just over two-thirds the total number of observations.

The initial age composition of the group was already strongly dominated by the cohort born in the five years 1902-6. This was the “Brezhnev” cohort, and it included Voznesensky, Malenkov, Suslov and Kosygin as well as Brezhnev himself, in addition to the lesser personalities considered here. It accounted for more than half of the production branch ministers in office at the end of 1945; it similarly dominated the new recruits to the production branch ministers over the following years. However, as Table 1 makes clear, those who left to make room for them were typically from the same cohort, and were on average only one or two years older. (Not until 1953 was there a significant clearing out of those born before 1902.) As a result, the production branch ministers at the beginning of 1955 were still dominated by the Brezhnev cohort.

The picture of recruitment which emerges is therefore one of replacement of one generation by another only to a small extent. A much more important factor was that a single age group dominated the scene and competed within itself for a limited number of official posts.

What were the “survival” chances of leading individuals? This emerges from further inspection of underlying detail. In the prewar years 1938-41, only two of an initial group of 10 production branch ministers had remained members of the Sovnarkom throughout.³¹ However, the war years had seen much greater stability of personnel, most of whom continued in one ministerial job or another into the peacetime era.³² Stabilization of personnel generally was evidently continued in the postwar years. No less than 12 production branch ministers retained their posts (or other posts of equivalent status) continuously from 1945 through to 1955;³³ they were heavily concentrated in the defence and heavy industries, and made up the core of continuity from the Stalin era to the post-Stalin succession.

On the other hand, most of the remainder had ceased to be ministers by 1950. There was a particularly high rate of departure among ministers generally (20 demotions) in 1947-48, which may suggest something of a purge. However, 10 ministerial posts disappeared at the same time, most of them permanently. Several of these ministries had only existed for a couple of years, and the departing ministers had held this, their first post of ministerial rank, for the same length of time or less.³⁴

At the same time, nine ministers with some length of service did leave the Council of Ministers in 1947-48, and six of these were demoted from continuing posts.³⁵ Most prominent of these was the long-serving Kaganovich, who was altogether without a ministerial post for most of 1947. He left two positions in March, as minister for construction materials and as a deputy prime minister. However, loss of the second post proved temporary, and he was reappointed a deputy prime minister at the end of the year. In the interval, he was not out of office, just out of town; he had been appointed first secretary of the Ukrainian party,

³¹ 31 The two survivors were Kaganovich and Tevosyan. See Harrison, *Soviet Planning*, Appendix 4.

³² Exceptions, retired in 1946-47, were Lukin, Saltykov, Shakhurin and Vakhrushev. Vannikov disappeared from public view because of his work on the atom bomb project, and Sedin was demoted but became a deputy minister again in 1948.

³³ 33 Akopov, Baibakov, Ishkov, Kabanov, Kaganovich, Kazakov, Lomako, Nosenko, Orlov, Parshin, Shashkov and Ustinov.

³⁴ Chesnokov, Evseenko, Grachov, Komarov, Kozlov, Motovilov, Onika, Skvortsov, Tret'yakov, Zademidko, A. S. Zakharov and Zubovich. Kozlov, however, returned to ministerial office in 1954.

³⁵ 35 The six who left continuing posts were Kaganovich, Kovalev, Lukin, Saltykov, Shirshov and Vakhrushev. The three whose posts disappeared as a result of reorganization were Lomako, Mitrokhin and Sedin.

sent to Kiev to sort out the disastrous state of agriculture in the republic after the 1946 harvest failure.³⁶

Information about the appointment of deputy ministers tends to confirm a less disruptive picture of 1947-48. Seven of the recently appointed ministers were demoted to lower ranking posts in the parent ministry; four became first deputies (two had been ranking deputies already before the 1946 subdivisions), and three were made deputies.³⁷ The one exception was the longest serving, the prewar appointee Lomako (non-ferrous metallurgy); he re-emerged with his ministry, however, in 1950, and then again after the brief merger in 1953-54.

Policy and purges

The tribulations of Voznesensky and Zverev in 1948-50 were a very different matter, and may have been linked with both political competition and policy conflict. In February 1948 Zverev, the Finance Minister, was demoted in stages to first deputy, then plain deputy minister before being restored by the end of the year (again, in stages) to the post of minister. Ministerial responsibility for finance was held in between by Kosygin. Four other deputies, including the Gosbank chairman, were dismissed. In the wake of this followed a real purge, the "Leningrad affair". Now it was Kosygin's turn to face danger. The chief victims of this purge were Zhdanov's men – the Voznesensky brothers, Kuznetsov, Popkov, Rodionov – and by some interpretations Zhdanov himself.

The involvement of production branch ministers is less clear. Kosygin, who also had substantial Leningrad connections, was almost a victim, but survived without losing rank either as minister or as overlord. Explicit evidence for the involvement of other production branch ministers is not available. However, in April 1949 (a month after Voznesensky's arrest), the minister for geology, I. I. Malyshev, was dismissed together with four of his deputies and five other members of the ministerial college. Malyshev was replaced by P. A. Zakharov, who had nine years' previous experience in the NKVD and MVD (internal affairs). In 1950 there were eight ministerial demotions, only one prompted by reorganization. Moreover, five of the eight, like Voznesensky, had achieved ministerial rank immediately before or during the war, and seven came from the same demographic cohort (the age of the eighth not being known).³⁸

³⁶ However, according to Roy Medvedev, *All Stalin's Men* (Oxford: 1983, p. 131), this was something of a demotion, although temporary; Kaganovich "worked with none of his customary energy", clashed frequently with Khrushchev, and was saved mainly by the spring rains. Returning to Moscow, he worked under the gathering clouds of the anti-semitic campaign against "rootless cosmopolitanism".

³⁷ Moreover, Sedin now served under Chesnokov (and Kosygin) in the ministry of light industry, while Zademidko was under Onika (and Zasyad'ko) in the ministry of the coal industry.

³⁸ The five were Akopov, Dvinsky, Ginzburg, Ishkov and Nosenko. The three of more recent promotion were Goreglyad, Kuz'min (the only one whose demotion in

The exact relationship between purge and policy in 1949-50 remains unclear. In one view the primary thing was the personal conspiracy of Beriya and Malenkov, and policy was implicated in the fallout after the event. This is suggested by stories of Stalin's secret jealousy of Voznesensky, and by the secrecy – and stupidity – of the allegations against the Leningraders. According to the testimony of Kosygin himself, published only recently, Stalin and Voznesensky were previously very close, in daily contact; “. . . this affair was preceded by no conflict of opinions, no opposition, and they exposed no one. There was nothing to expose. There was no public trial. They destroyed them quietly”.³⁹

All the same, there may have been a connection with disputes surrounding the December 1947 monetary reform,⁴⁰ and the January 1949 reform of wholesale and planning prices (the latter was largely reversed by 1952).⁴¹ Michael Kaser has suggested that Kosygin and Voznesensky both favoured an extension of financial regulation of the economy – something to which Zverev, in later years at least, would show himself opposed.⁴² In this view, the dismissal of Voznesensky in March 1949 and his shooting in 1950 was the most explicit expression of conflict.

Not directly involved in the Leningrad affair, but under a cloud after 1950, was Andreev, attacked for his advocacy of the relatively decentralized “link” (zveno) system in collective farming.⁴³ Andreev retained his government post for the time being, but suffered party demotion, and the damage to his career proved permanent.

There were more numerous permanent casualties of the 1953-54 reshuffle; 23 out of 42 production branch ministers at the beginning of 1953 were no longer in office by the end of 1954. Seven of the 23 had been in office since 1945.⁴⁴ However, of the 16 “new” faces joining the Council of Ministers in 1954, half had previously

1950 was prompted by disappearance of his post) and Popov. All were born during 1902-6, except for Kuz'min, whose year of birth has not been established.

³⁹ Daniil Granin, “Zapretnaya glava”, *Znamya* (1988), no. 2, pp. 117-132, on p. 121.

⁴⁰ That there were such disputes was confirmed by a participant, Z. V. Atlas, *Sotsialisticheskaya denezhnaya sistema* (Moscow: 1969), pp. 295-296. He summarised the opposed viewpoints but named no names.

⁴¹ The reform, aimed at eliminating budget subsidies to industry, pushed up wholesale prices of heavy industrial products by an average of 58%. But by 1952 these prices had been brought back down to only 7% above the 1948 level. See *Narodnoe khozyaistvo SSSR v 1967 godu* (Moscow: 1968), pp. 227-228.

⁴² Kaser, “Le debat sur la loi de la valeur”, p. 567.

⁴³ In this Andreev was opposed by Khrushchev, and probably supported by the instigators of the Leningrad purge, Beriya and Malenkov. See Leonard Shapiro, *The Communist Party of the Soviet Union* (2nd edn., London: 1970), p. 520.

⁴⁴ Andreev, Kosygin, Lobanov, V. A. Malyshev, Pervukhin, Tevosyan and Zhimerin.

been members, and several were old “survivors”.⁴⁵ In fact, in 1953 there had been something of a clear out of the older generation, born before 1902, but in 1954 two of them made a come back.⁴⁶ The 31 production branch ministers of 1955 retained among their number 12 who had served in ministerial posts in war time; no less than 22 of them belonged to the “Brezhnev” or earlier demographic cohorts.

Thus, in 1953-54, as in the late 1940s, the most prominent permanent casualties were to be found outside the production branch ministries. In this case it was the leadership of the security organs, including Stalin’s deputy and interior minister Beriya; other old-time Stalinists continued in office until 1957 (the exposure of the “anti-party group”) or beyond.

Preliminary results

This paper is by nature an initial foray into the logic of the postwar production branch ministerial structure. It is aimed first at establishing the dimensions of change, and does not allow firm conclusions about their determinants. Evidence of the economic difficulties, policy considerations and personal disputes which may have propelled administrative change is often lacking or subject to alternative interpretations. However, we can establish at least preliminary support for several findings.

In the postwar years of late Stalinism, tension between the requirements of limiting different kinds of economic inefficiency persisted. Control of productive (“X”) inefficiency at the enterprise level of an expanding economy demanded increasing ministerial specialization and subdivision, in order to keep to a minimum the distance between the controlling ministry and the shop floor. But the interests of limiting inefficiency in allocative decision making demanded, in the first instance, resort to supra-ministerial controls and then, from time to time, reversal of the fission process. So did the control of X-inefficiency within the ministries themselves. However, what determined the tolerable limits of ministerial fission and fusion remains unclear.

The main turning points in the postwar fission-fusion cycle seem to be associated with political events of different kinds. Expansion of the number of ministries and recruitment to the Council of Ministers in 1945-46 were associated with new policies to mobilize reserves for peacetime reconversion and rehabilitation. The ministerial amalgamations of 1948-49 may have been designed to accompany a shift in economic planning away from traditional mobilization concepts towards more emphasis on equilibrium and allocative efficiency. However, this shift was reversed in its turn with the “Leningrad affair”, including the dismissal and subsequent execution of Voznesensky.

⁴⁵ Ishkov, Kazakov, Lomako, Nosenko, Parshin (ministers since 1945 or before), Kostousov, Kuz’min, Stepanov; the newcomers were Antonov, Bakaev, Kalmykov, Novoselov, Pavlenko, Skidanenko, Varaksin and Zavenyagin.

⁴⁶ Seven older ministers demoted in 1953 were Andreev, D. V. Efremov, Kazakov, Khrunichev, Parshin, Yusupov and Zotov; in 1954, Kazakov and Parshin returned.

Now the crude practices of sectoral priority and administrative mobilization of workplace reserves prevailed once more. In 1949-51, also, the previous round of ministerial amalgamations was reversed. However, the pace of subdivision was very half-hearted, and the virtual freeze on new appointments by 1952 may say something about the atrophy of Stalin's personal regime.

The ministerial fusions of 1953 suggest the determination of Stalin's successors to seize the reins of power and make them once more into effective regulators of resource allocation. However, the speedy resort to a campaign of economic mobilization, the renewed ministerial subdivisions of 1953-54 and, through the latter, the return of several old ministerial "survivors", together indicate how skin-deep was this first stage of post-Stalin transition in economic policy.

Under late Stalinism the production branch ministers formed a rapidly ageing group. At their core stood the "Brezhnev" demographic cohort born in the years 1902-6. This cohort first began to materialize in leading positions in the wake of the prewar Ezhov purges. During the war and the postwar decade it tightened its grip on government. Not all of its members survived the public campaigns and secret processes of the years after 1945, but those who remained would prove sufficiently numerous and experienced to maintain themselves in office for decades to come.