

= Valentin Pavlov =

Valentin Sergeyevich Pavlov ( Russian : ????????? ???? ? ???? ????? ; 27 September 1937 ? 30 March 2003 ) was a Soviet official who became a Russian banker following the dissolution of the Soviet Union . Born in the city of Moscow , then part of the Russian Soviet Federative Socialist Republic , Pavlov began his political career in the Ministry of Finance in 1959 . Later , during the Brezhnev Era , he became head of the Financial Department of the State Planning Committee . Pavlov was appointed to the post of Chairman of the State Committee on Prices during the Gorbachev Era , and later became Minister of Finance in Nikolai Ryzhkov 's second government . He went on to succeed Ryzhkov as head of government in the newly established post of Prime Minister of the Soviet Union .

As Prime Minister from 14 January 1991 to 22 August 1991 Pavlov initiated the 1991 Soviet monetary reform , commonly referred to as the Pavlov reform , in early 1991 . Early on he told the media that the reform was initiated to halt the flow of Soviet roubles transported to the Soviet Union from abroad . Although ridiculed at the time , the statement was later proven to be true . In June the same year , Pavlov called for a transfer of power from the President of the Soviet Union to the Prime Minister and the Cabinet of Ministers . When that failed , he joined a plot to oust Gorbachev . In August , he participated in the 1991 Soviet coup d 'état attempt , which tried to prevent the disintegration of the Soviet Union . Pavlov was arrested for his involvement in the coup and went on to work in the banking sector in post @-@ Soviet Russia . He was succeeded as premier by Ivan Silayev .

= = Early life and career = =

Born in Moscow on 27 September 1937 , Pavlov graduated from the Moscow Finance Institute in 1958 . He started his nomenklatura ( bureaucratic ) career as a government economist ; he started working for as an official of the Ministry of Finance in 1959 , and became a member of the Communist Party of the Soviet Union in 1962 . Early in his career he also worked for the Ministry of Finance of the Russian Soviet Federative Socialist Republic ( RSFSR ) . Pavlov started working for the State Planning Committee in 1979 , and became a member of the State Planning Committee 's board in 1981 . He held the office as head of the State Planning Committee 's Finance Department , the department which oversaw all aspects of the country 's planned economy . He served as First Deputy Minister of Finance in Boris Gostev 's ministry from January to August 1986 .

Pavlov was appointed Chairman of the State Committee on Prices on 15 August 1986 , and retained that post until 7 June 1989 . Throughout the period , and later as Minister of Finance , Pavlov supported the centralised price reform proposal posited by Nikolai Ryzhkov , Chairman of the Council of Ministers . He succeeded Gostev to become Minister of Finance in Ryzhkov 's government in 1989 and his time in the post was considered uncontroversial , even though Lira Rozenova , Deputy Chairman of the State Committee for Prices , was not elected to the post of Chairman of the State Committee for her advocacy of Pavlov @-@ backed plans for centrally administered price reform . He was the only minister in Ryzhkov 's Government who was also a member of the Presidium of the Council of Ministers .

Along with Eduard Shevardnadze ? Soviet Foreign Minister ? Pavlov was the only nominee from Ryzhkov 's second government to be overwhelmingly elected by the Supreme Soviet of the Soviet Union . As Minister of Finance , Pavlov was supportive of the marketisation of the Soviet economy , having overseen a rapid increase in the Soviet money supply and the increase in inflation it caused . Pavlov also set the exchange rate for the rouble against the American dollar on the Soviet black market . In 1993 he proudly admitted that during his tenure as Minister of Finance , and later Prime Minister , he had deceived several Western banks and creditors by lying about the Soviet Union 's gold reserves . In 1989 , Pavlov gathered together enough information on the errors and omissions of Ivan Silayev , the future Soviet Premier and Russian SFSR Premier , to weaken his position as Deputy Premier . Silayev never forgave Pavlov and relations between the two grew even more icy when Pavlov became Soviet Premier .

= = Prime Minister = =

Following the resignation of Nikolai Ryzhkov and his second government , Pavlov was elected to the new position of Prime Minister as a compromise candidate , and became chairman of the Cabinet of Ministers . He and his two First Deputy Prime Ministers , Vladimir Velichko and Vitaly Doguzhiev , were approved by the Supreme Soviet of the Soviet Union on 14 January , while approval for the majority of his ministers followed within a few weeks . Pavlov was considered a conservative upon his election as Prime Minister , and the Soviet press described him as a " bold and complex man " who was against full marketisation but who believed that the Soviet Union was even more oppressive towards workers than even the most advanced capitalist societies . One of his first actions as Prime Minister was to move the headquarters of the Soviet Government ? the Cabinet of Ministers ? from the Moscow Kremlin to the former headquarters of the State Committee for Construction to strengthen his position .

= = = Pavlov monetary reform = = =

The Soviet monetary reform of 1991 , commonly referred to as the Pavlov reform , was the last monetary reform prior to the dissolution of the Soviet Union . Initiated on 22 January 1991 , it was intended to withdraw money from circulation for reallocation to the production of consumer goods , which were in short supply . In a speech , Pavlov stated that the reason for the withdrawal was the government 's belief that money was being sent to the Soviet Union from abroad , fuelling inflation . Although ridiculed by the Soviet press at the time , three years later the truth of Pavlov 's statement was verified . Mikhail Gorbachev then signed a presidential decree ordering the Soviet financial system to stop accepting and exchanging banknotes issued in 1961 . The directive also included 50 @-@ rouble and 100 @-@ rouble banknotes issued in 1991 . On 23 January 1991 , the government began restricting monthly bank deposit withdrawals to 500 rubles with the official explanation that this was to freeze the income of corrupt officials , capitalists and criminals .

Under the orders of Pavlov , the Government freed forty percent of prices on 1 January 1991 , and introduced sales tax of 5 % . Prices of consumer goods , in particular , were now considered free in the sense that negotiation became possible between producers and the distributor . According to Philip Hanson in his book , The Rise and Fall of the Soviet economy : An Economic History of the USSR from 1945 , Pavlov 's reform was undermined by the Union Republics who failed to follow Pavlov 's orders , along with the widespread existence of local monopolies , which tended to have their own definition of luxury goods and as a result imposed higher prices on such items .

Soviet citizens had only three days from 23 ? 25 January to exchange their old 50 rouble and 100 rouble banknotes for the new currency . Exchange could be postponed , but only through specialised government commissions . Due to this short exchange window , long queues formed in front of Soviet savings banks , even though it was also possible to exchange money at workplaces and post offices . This reform also dealt a crippling blow to Soviet citizens who had saved their money and could not move fast enough to get it exchanged ; some lost as much as 15 @,@ 000 ? 30 @,@ 000 rubles overnight .

In the end the reform proved unsuccessful . The government only managed to withdraw 14 billion rubles from circulation of the country 's money supply against an intended target of 81 @.@ 5 billion rubles . As a result , the Pavlov reform did not put an end to inflation . Prices for items including food and transport rose by 100 ? 300 percent , while the Soviet standard of living decreased sharply and the state budget deficit increased by an estimated 20 ? 30 percent of GNP . In the aftermath of the reform , inflation exceeded the 50 percent mark every month .

= = = Coup attempt = = =

In June 1991 , Pavlov discovered that Gorbachev planned to replace him as Prime Minister . In response , he arrived at the Supreme Soviet of the Soviet Union " visibly nervous " , and in his report

to the Supreme Soviet , he was forced to tell delegates of the faltering state of the Soviet economy . However , Pavlov blamed this on the ongoing War of Laws between the Supreme Soviet of the Soviet Union and the Supreme Soviet of the Russian Soviet Federative Socialist Republic ( RSFSR ) , which , he argued , could be resolved by introducing a state of emergency across the entire Soviet Union , or at least in certain economic sectors .

According to Pavlov , the union 's problems remained insoluble as long as Gorbachev retained so much power and had limited time to address important issues . To break the impasse , Pavlov called for a transfer of power from the President of the Soviet Union to the Prime Minister and the Cabinet of Ministers , even creating a five @-@ point resolution to that end for the legislature to consider . Pavlov received support for the idea from the Soyuz parliamentary faction leader Viktor Alksnis , who called for an immediate vote on the issue . However , several members of Soyuz also demanded a statement by the KGB and the Ministry of Defence to comment on the proposal . In retrospect , Alksnis notes that this resolution could have become a coup d 'état had Pavlov consulted with them earlier . According to historian Jerry F. Hough , Pavlov 's program " was not directed as much at Gorbachev as at [ Boris ] Yeltsin " .

By the afternoon , the majority of Soyuz members favoured an immediate vote . The Chairman of the Supreme Soviet of the Soviet Union , Anatoly Lukyanov , had already departed for Novo Ogarevo to take part in constitutional negotiations and he promised to tell Gorbachev about the vote . In his place stood Ivan Laptev , a pro @-@ Gorbachev reformer , who did not trust Lukyanov and tried to stall the vote by demanding a statement from the KGB , Ministry of the Interior and the Ministry of Defence . According to Laptev , the mood was such that if a vote had been taken Pavlov would have won . At the time , both the Soviet secret police and the military establishment in general wanted to strengthen the authority of the Soviet Government and so they too supported Pavlov 's program . Soyuz , through a vote , was able to increase the powers of the Cabinet of Ministers , and gave the institution the right of legislative initiative .

Shortly afterwards , Jack Matlock , United States ambassador to the Soviet Union , told Gorbachev of the possibility of a coup attempt against him , and the Soviet leader became worried when Anatoly Chernyaev informed him of mysterious troop movements outside Moscow . On 21 June , four days after Pavlov 's speech , Gorbachev addressed the Supreme Soviet and told delegates that there were no differences in opinion between him and Pavlov . Even when he had been able to secure his position , Gorbachev 's power within the system was already faltering , although he succeeded in getting the enhanced powers previously given to the Cabinet of Ministers reversed . The power struggle between Gorbachev and Pavlov was not over , with Gorbachev promising Yeltsin and Nursultan Nazarbayev that Pavlov , along with Dmitry Yazov , Minister of Defence , and Vladimir Kryuchkov , the Chairman of the KGB , would be removed from their posts following the signing and ratification of the New Union Treaty .

= = = August Coup = = =

The 1991 Soviet coup d 'état attempt , commonly referred to as the August Coup , was prompted by the slow disintegration of the Soviet Union that resulted from Gorbachev 's reform policy and Yeltsin 's drive towards an independent Russia . The New Union Treaty being prepared called for further decentralisation of power to the republics , which weakened the government 's already tenuous hold on the economy . Pavlov received a draft of the New Union Treaty on 12 August at a Security Council meeting and managed to get it published in the Moscow News on 14 August .

Opposing the decentralisation stance taken in the treaty , Pavlov was one of the key players in the establishment of the State Committee for the State of Emergency in August 1991 . Pavlov 's inclusion in the committee has been used to demonstrate its unwillingness to revert to pre @-@ Gorbachev policies . The Committee 's main goal was to ensure that the Soviet Union continued as a highly centralised union state . The Emergency Committee was led by Gennady Yanayev , Vice President of the Soviet Union , Interior Minister Boris Pugo , Defence Minister Dmitry Yazov and other hardliners who were determined to take action to oust Gorbachev . Vladimir Kryuchkov , the KGB Chairman , had told Pavlov of the coup on 18 August , one day before it began . He was asked

by Kryuchkov to meet his co @-@ plotters at the Moscow Kremlin , where on 19 August , he and his co @-@ conspirators appeared on live television and told the Soviet people that Gorbachev was indisposed . As the day wore on it soon became apparent that Pavlov had been drinking since he issued several contradictory orders and repeated himself . In retrospect he admitted that he had been drinking with his son the day before . On the same day , his fellow plotters decided to depose Pavlov , sending him to his dacha where his wife took care of him . As with all the others , Pavlov was arrested following the collapse of the coup . Shortly after Pavlov was hospitalised with hypertension whilst remaining in custody . He was released on bail in January 1993 and granted amnesty by the Russian State Duma in 1994 .

= = Later life and death = =

After his release from custody , Pavlov became a director of the commercial bank Chasprombank between 1994 and 1995 . He resigned at the request of the bank 's Board of Directors who informed him that they had decided " to provide him an indefinite leave of absence . " In February 1996 , shortly after his resignation , the bank 's license was revoked for violating the banking laws set up by the Central Bank of Russia . Pavlov then worked as an advisor to Promstroibank between 1996 and 1997 , and in 1998 also became a vice president of the American firm Business Management Systems . He worked both as vice president of both the Free Economic Society and the International Academy of Management , and later headed a department of the International Union of Economists .

Pavlov died in Moscow on 30 March 2003 , and was buried on 2 April at Pyatnitskoye cemetery .

= = Decorations = =

Order of the Red Banner of Labour  
Order of the Badge of Honour